

THE NATION'S BUSINESS

May



1924

Spending Your Money and Mine Four Articles on Taxes and Economy

Spending, Not Taxing Counts
By Prof. CARL C. PLEHN

Illinois on a Business Basis
By Ex-Gov. FRANK O. LOWDEN

The Call on Congress to Spend
By WILLIAM P. HELM, Jr.

Saving \$40,000 a Day
By Gov. GIFFORD PINCHOT

Don't Be Sold Insurance, Buy It

By Robert Lynn Cox, Second Vice-President, Metropolitan Life Insurance Company

The Freight Car Yields to the Truck

By Robert C. Wright, General Traffic Manager, Pennsylvania System

Bunk, a Great American Industry

By Wellesley Tufts

Complete Table of Contents on page five



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To Our Readers:

A unusually important extra edition of the **NATION'S BUSINESS**

will be published next month. Every subscriber will receive a copy. It will be mailed as usual immediately after the June issue and should reach you by June 10.

The occasion for this issue is the Twelfth Annual Meeting of The United States Chamber of Commerce. Once a year Organized Business gathers (this year at Cleveland, May 6 to 8) to discuss the problems and conditions confronting all business men and to plan a program of organized action for the coming twelve months. Five thousand leading business men from all sections of the country will attend.

Many NATION'S BUSINESS subscribers will be there. But for those who cannot be present in person, this Twelfth Annual Meeting Number will bring an intimate picture of what happened.

The leading subjects dominating this extra edition will be

1. **Business and Agriculture**
2. **The European Readjustment**
3. **The Responsibility and Integrity of Business**

In addition there will be articles on Rail, Water and Highway Transportation, Distribution, Insurance, National Economy, Finance, Standardization in Industry and many related subjects.

On the Table of Contents will appear such names as

SIR ESME HOWARD, *British Ambassador*
HERBERT HOOVER, *Secretary of Commerce*
CURTIS D. WILBUR, *Secretary of the Navy*
FRANK O. LOWDEN, *Former Governor of Illinois*
JULIUS H. BARNES, *President, U. S. Chamber of Commerce*
HERBERT M. LORD, *Director of the Budget*
CARL GRAY, *President, Union Pacific Railroad*
GEO. W. GRAHAM, *President, Chandler Motor Car Co.*
JAMES E. KAVANAGH, *V. P., Metropolitan Life Ins. Co.*
EDWARD PRIZER, *Chairman of the Board, Vacuum Oil Co.*
GEN. J. J. CARTY, *Chief Engineer, Amer. Tel. & Tel. Co.*
and many others

Such an important issue always brings with it orders for additional copies, each year adding about 25,000 to our regular audience. The price of extra copies is 10 cents each, including postage and addressing. Send your list immediately, together with the proper remittance, so that we can have the envelopes addressed and ready.

Merce Thorne
EDITOR

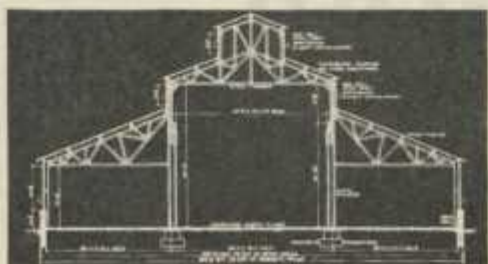
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THE WHITE COMPANY, CLEVELAND

WHITE TRUCKS

When writing to THE WHITE COMPANY please mention the Nation's Business

Through the Editor's Spectacles

A GOOD subscriber friend over in Evans-ton, Illinois, writing us for some information about the tariff the other day said, "I have been well pleased with the magazine up to the present time." Is that not an admirable combination of compliment and caution? So far, so good, he believes, but no farther. His faith is on a monthly basis. On first reading his letter we felt flattered, then threatened. We had to look closely to see if he came to bury, or to praise us. But not to bury; we get a 30-day respite, and we must be up and at it, "still achieving, still pursuing," trying to make THE NATION'S BUSINESS a magazine of first importance to the American business man, or the goblins'll get us! And after all isn't every business, from U. S. Steel down, run on this same "deliver the goods daily" basis?

FROM Omaha comes a jeremiad written by O. O. Boon, 730 Grain Exchange Building. He makes it clear that he is much put out with us. One of our articles on Distribution riled him considerably—because it was "stupid and highbrow," and because "practically all large business concerns have covered this same ground, at least roughly, and closely enough for all practical business reasons."

The temperature under his collar rises as his thoughts expand. We read that

Judging from the bulk of propaganda—we will not say political propaganda, just plain ordinary propaganda—that is fed the west from Washington, one would think we are supposed to be about as far developed intellectually as a high school graduate.

I will admit that we are a bunch of plain idiots, to have allowed the Washington political gang to have traded us off to the east as cheaply as we have been, but—we are not infants—several of us are of voting age.

And then with a final flourish he touches off a rhetorical bomb well calculated to jostle us out of our usual aplomb—

You may scratch my name off of your mailing list—Thanks.

There are several things we could say to Mr. Boon. And there would be much of sorrow, and nothing of anger in the saying. But like as not he was not feeling any too well when he wrote to us. Life, including letters, is pretty much a matter of livers.

MR. BOON'S stricture on our highbrow articles recalls a phrase in a letter from that part of the country to which Mr. Boon's section has been betrayed. Mr. Goodwin B. Beach, of Hartford, wrote recently:

We are too afraid in this country of being highbrow. The result is loose, illogical thinking. If everything else that is taught in the schools were thrown out and nothing but logic and the study of economics were retained, so that the average man no longer was swayed by sentiment, emotion or tradition, but instead thought clearly and straight, we wouldn't have one-tenth of the trouble we have today. That sentence connotes a leveling down instead of raising up. For God's sake let's raise the standard rather than slip down to the level of the proletariat!

THE "Research Department of the Workers Party of America" in a bulletin to its members says:

The December number of THE NATION'S BUSINESS concentrates on telling Congress what Big

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No. 5

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.



Loading soya bean cakes at one of the Dairen piers.



Central Circle, Dairen

Dairen— Open door to Manchuria

Dairen, at the point of the Liaotung Peninsula, South Manchuria, is the second largest port in China in volume of foreign trade, ranking next to Shanghai.

Dairen has one of the finest harbors in the Far East, capable of accommodating steamers of 30-foot draft at its piers. As the southern terminus of the South Manchuria Railway, it is the trade door of Manchuria—a door that swings wide open to the business men and travelers of the world.

The city and harbor represent a romance of development. On the site of a little Manchurian fishing village, the Russians in 1898 founded Dalny, "The Far Away". Following the Russo-Japanese War the city was renamed Dairen, "Great Connection". Its fine banks and office buildings, paved streets, modern parks and many factories, with its Oriental life and setting, make it one of the most interesting and important cities of the Eastern World.

The head office of the South Manchuria Railway Company is at Dairen, and near there are the company's shops, where many of the locomotives and passenger and freight cars have been built. The Yamato Hotel, operated by the railway company, is one of the largest and finest in the Orient. The company also has established there a large hospital, several schools of various ranks, public libraries and scientific institutions.

Manchuria in Motion Pictures

The New York office of the South Manchuria Railway Company has two reels of interesting and enlightening pictures showing the intermingled Oriental life and modern development of Manchuria. They show Manchuria at work and Manchuria at play. This film, requiring about an hour to show, is made for the standard American machine. It will be lent to organizations or societies free of charge, except transportation cost. If you wish to borrow this film, or if you wish free travel literature concerning Manchuria and Korea, write to South Manchuria Railway Co., 111 Broadway, New York City.

Dairen's Port Facilities

BREAKWATER—of concrete, $2\frac{1}{2}$ miles long.

PIERS—No. 1, 2,404 feet; No. 2, 4,313 feet; No. 3, 4,190 feet; No. 4, under construction.

QUAY WALLS— $2\frac{1}{2}$ miles for berthing ships.

WAREHOUSES—74 with 340,000 tons capacity.

OPEN STORAGE—410,000 tons capacity.

TERMINAL TRACKS—50 miles along the wharves.

EQUIPMENT—15 tug boats, 24 steel lighters, 5 floating cranes, 21 wharf cranes, 5 bean oil tanks.

DRY DOCK—430 feet long, 25 feet deep.

COAL JETTIES, JUNK WHARF AND INFLAMMABLE GOODS PIER.

The South Manchuria Railway, running through Manchuria and Chosen (Korea) has practically an all-American equipment, with some of the largest types of locomotives and standard Pullman cars. It conducts a chain of large Western-style hotels, travel bureaus, and city and country clubs.

Your Host and Guide

SOUTH MANCHURIA RAILWAY

Business thinks of it and what it wants from it.

Without pleading guilty to the gentle indictment, we rise to ask if the Workers Party has an exclusive franchise on the job of telling Congress what is for the good of the country.

PENNSYLVANIA RAILROAD SYSTEM

Train Order No. 1028

To All Trains South: On account of serious illness of young boy residing at Bowers Station near our tracks, trains while passing through will make as little noise as possible. P. A.

The spirit of American business is not elusive or fanciful—it is real, and present, and helpful. It is to be found in towering office buildings, in factories, in stores and shops—and in a terse train order that takes notice of the sickness of a small boy.

THE MOST venerable clerical story is perhaps that of the clergyman who had received the call to a larger congregation and a bigger salary. When a neighbor called to inquire if he was going to accept, the parson's little daughter said, "Pa's in the study praying for guidance, and Ma's upstairs packing the trunks."

With Bishop Freeman, whom James B. Morrow so entertainingly describes elsewhere in this number, the situation perhaps was different. He was getting along in the railroad business when he felt that he had a stronger calling. He has neared the top of the tree in his chosen profession, but financially at least the top of the railroad tree is perhaps higher than the top of the clerical tree.

Dr. Freeman is not the only bishop in his church who has had business training. Bishop Garland, of the Protestant Episcopal Diocese of Pennsylvania, a native of Ireland, was assistant manager of one of the mills of the Oliver Iron and Steel Company in his youth.

"THE NATION'S BUSINESS for February places Socialism where it belongs—in the rubbish pile," writes Mr. Harry A. Ritter, of Brewster, Ohio, and adds, "I never miss an opportunity to recommend it to my fellow business men."

THE ESTEEMED editor of our contemporary, *The Agricultural Review*, dropped in the other day and with a twinkle in his eye spoke thusly:

Near the little town of Hickory, in North Carolina, Mr. and Mrs. Marshall Johnston are said to be operating a farm in a manner which is open to the gravest criticism. It seems that this couple has for the past twenty years or so been in the habit of gathering up orphans and other unfortunate children, and taking them to their farm, where they make a home for them, providing shelter, food, clothing, education, care and love. There are now twenty-eight youngsters there, ranging from about six to eighteen years of age. In all, more than three hundred otherwise homeless and friendless children have been cared for by Mr. and Mrs. Johnston until they were able to go out in the world.

No proper complaint can be lodged against Mr. and Mrs. Johnston for taking care of these children. That in itself is not unusual. But they have been making that farm supply the food and earn enough to meet all the other expenses of their numerous family, without any help from the outside, and without once asking for government aid. Mr. Johnston is rendering no assistance whatever to those who are trying to get the Government to fix prices, or take over the business of agriculture. He isn't lending a hand in the effort to establish the rubber dollar. He probably doesn't know what a weighted average is and may never have met a price index. He has never even been organized, but goes right along in his own way, perversely

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Profits are based on uninterrupted operations. When a man buys a machine and puts it to work he counts on that machine to work without breaking down or unduly wearing out. A machine will not break down if the wearing parts subject to the greatest stress and strain and abrasion are made of the proper steel; the proper steel is available, and economy demands its use.

Our experience, covering 181 years of steel making, is at your service. The steel you require can be obtained. If your engineers and our steel experts put their heads together lessened cost and greater profit will result. Scarcely a day passes that some of our engineers do not make specific applications which prove to be money-saving.

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making both ends meet, in spite of the frequently demonstrated economic fact that it can't be done.

The effect upon society of turning these young folks loose believing in individual initiative is certain to be demoralizing.

In the language of the country editor, "Something should be done!"

"POKER SETS—Should be in every well-regulated household," said an advertising circular which reached us the other day. A far cry from the days of our Puritan grandfathers who would have dismissed as ill-regulated any house into which a poker chip rolled. But we appreciate the reticence of the same advertiser who offers:

"COCKTAIL SHAKERS—for cracked ice, lemon, orange and other fruit juices. They are still in use. A well-shaken shaker at least makes the feast seem old-fashioned."

IT IS always good to "see ourself's as others see us," but when we see ourselves in Greek, we are left a little helpless. But to prove that it is possible to put THE NATION'S BUSINESS into Greek, we add this photograph



of part of a translation of the recent article about Henry Heide, as reprinted in the Greek National Herald.

A KANSAS reader sends us a copy of a stiff letter his governor wrote President Alexander Legge, of the International Harvester. The governor thinks the prices of farm machinery should be cut. The governor has discovered, he says, that the parts for a complete farm implement cost more than the assembled machine. Repairs are a big item with Kansas farmers, so the governor says, and if the prices do not come down—well, the governor none too delicately suggests that he may appeal to "our anti-trust law in Kansas."

President Legge, in reply, told the governor why prices could not be reduced. He had considerable to say about the terms and credits already extended by his company—about government reports that show imple-

ments and repairs are only 3 to 8 per cent of the total cost of farm operation—about the small volume of sales of his company compared to all other manufacturers—about the illegality of preferential price reduction—about the losses of the company—about the 80 per cent representation of wages in the sale prices—about the possible confiscation of property suggested by legal action—about the dead stocks owing to the seasonal character of farm operation—and so on.

But the paragraph in his letter that must have made Governor Davis blink, and the gods of Olympus cough gently behind their hands, was this:

We are now defending a suit brought by the United States Government in which the only charge of wrongful practice is that we have made our prices unreasonably low in recent years, with the effect of injuring our competitors. Our answer to the government charge of making prices too low and to your request that we make them still lower, must be the same—namely, that our prices are fair and reasonable, taking into account both the high cost of production and the greatly reduced purchasing power of the farmer who buys our goods.

OUR ESTEEMED fellow editor of the *Oklahoma News*, commenting on the disclosure of William Rockefeller's tax exempt investments as representing over 50 per cent of that estate, thinks "Uncle William" was "smart and safe," even "cunning."

We ponder. Suppose Mr. Rockefeller had not responded to the urgent pleadings of Oklahoma legislators to buy her bonds! What then? Would Mr. Rockefeller now be labeled, instead of "smart and safe," as "foolish and thriftless?"

A BOOKSELLER in Maryland writes he will not renew his subscription to THE NATION'S BUSINESS. Living is lean with him, and his trials are many. The booklovers of his community scarce suffice to keep him going—he is concerned with

paying rent, buying an occasional bowl of milk and porridge and meeting a pay roll of five dollars a week, which includes my one assistant whose worth is three times that amount. About the middle of the week I borrow from her scanty store enough money to buy my baked beans and coffee.

And seemingly the admiration of his lore is empty of revenue, for

my people do not read much and as to reading matter they buy less. . . . They are kind-hearted people despite their lack of love for things literary, but I have to peddle books in order to make a living. Taking all these things into consideration you can very readily see that the cares of a NATION'S BUSINESS would not rest very heavily on my shoulders.

A veritable apostle of persistence, that man! Nor would we add our straw to a back so strangely burdened. Surely, some seventh heaven of delight is reserved for this good bookman with his deep faith in books and men. But like as not, he has discovered that Job had a sense of humor—and so is happy in his own patience.

THE CHAMBER of Commerce of the United States lost a valued worker and a wise counselor, and THE NATION'S BUSINESS lost a kindly friend when Lewis Singer Gillette died. An engineer by education, many of the activities of his varied and busy life centered around that profession, though he was farmer, manufacturer and investment banker as well.

His was a constructive life—a life devoted

It's Not Just Paint It's STONETEX

For Concrete or Masonry

Stonetex is more than an ordinary paint. It is made especially for concrete, stucco and brick. Stonetex waterproofs the wall, keeping out rain and dampness—resists the free alkali in cement and mortar—penetrates the surface, becoming integral with the wall—enhances the beauty of the original texture. Stonetex makes old buildings look like new.

The principal cost of painting is in the labor of applying it. Ordinary paints which have short life are the most expensive to use. Stonetex is the most economical paint because of its long life and serviceability. It is moderate in price.

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- ☐ Preventing steel corrosion
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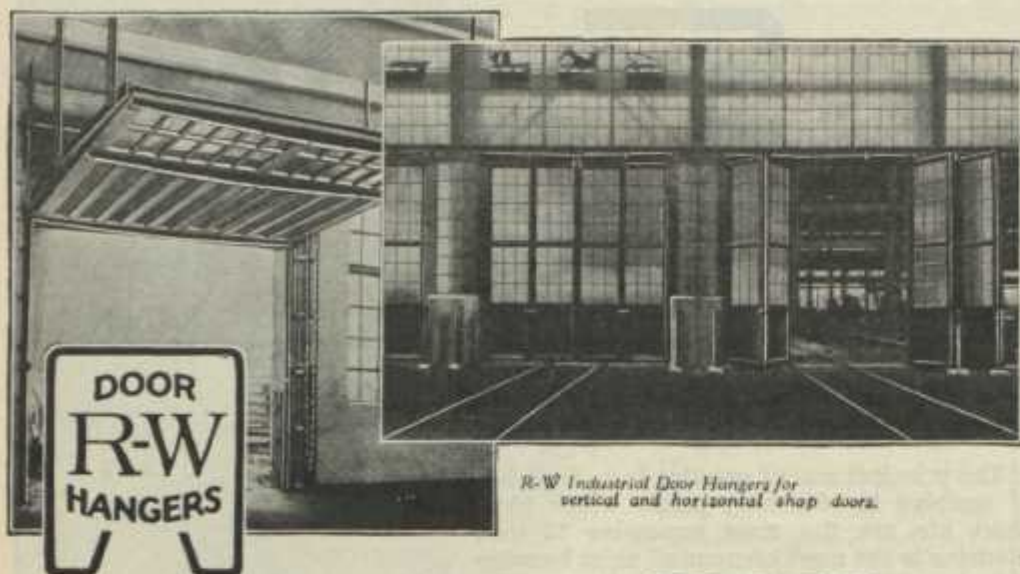
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There is an R-W Door Hanger suitable for every door that slides—from great round house and car shop doors, large enough to admit a locomotive or box car, down to the light sliding doors of show cases and pantries. We are America's foremost makers of door hangers for elevators, for factories, for warehouses and pier sheds, for garages, for barns and for use in the home.

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No matter how puzzling your door hanging problem may be, don't hesitate to put it up to this famous organization of door hanger specialists. Write to Department P for particulars of this free service, as well as for literature describing the complete line of R-W Door Hangers.



R-W IDEAL Elevator Door Hardware for silent, safe and speedy service.

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SLIDETITE equipped garage doors slide and fold inside, away from the wind, ice and snow.

R-W Vanishing Door Hardware for the modern home.



to building up, organizing new industries, developing new lands, working with James J. Hill to make the Great Northern deserve the word great.

It was fitting that he should have devoted a part of his later years as chairman of the building committee of the United States Chamber, and as such he has helped to make a lasting contribution to American business. For five years he had been a director, and for four years an honorary vice-president of the organization.

A fine type of American business man!

PROF. Almere L. Scott, secretary of the Department of Debating and Public Discussion, of the University of Wisconsin, writes that he finds THE NATION'S BUSINESS of "tremendous value." He adds:

With the organization of the high school libraries in the state and our contact with these new librarians, there is an unusual opportunity afforded to acquaint these librarians with the publications of special interest to the high school students. I feel that THE NATION'S BUSINESS should be in every high school in the state. I am very glad indeed to take every opportunity to recommend it.

MR. JAMES S. MCGLENNON, of Rochester, New York, justly takes us to task as follows:

I have just finished reading, in the April issue of THE NATION'S BUSINESS, your most interesting article entitled, "Georgia Rolls Up Her Sleeves," and how it happened that you overlooked the paper-shell pecan-nut industry is quite beyond my comprehension, with a production of 4,815,000 pounds of pecans from 991,000 acres (largely old cotton land). This crop averaged 37 cents per pound, making a total of \$1,782,000.

The increased acreage planted to pecans from 1922 to 1923 was 47,000. And the industry is yet in the experimental stage, but the results so far are justly mighty encouraging. The pecan is highest in food value of any nut known, furnishing 3,330 calories to the pound. And it is indigenous to the Gulf States of our United States.

Again I say, how did it come that you entirely overlooked pecans?

I am always an intensely interested reader of THE NATION'S BUSINESS. And with every good wish in the world for its continued success in advancing the ideals of high-class progressive business principles, I am, etc.

Very well, then, here's tribute where tribute is due—to the Georgia Paper-Shell Pecan Nut!

SPEAKING of the resourcefulness and "carry the message to Garcia" type of American salesman, Mr. William Butterworth, president of the John Deere Company, tells us this one:

A salesman seeing his prospect sitting disconsolately looking out of the window, asked him:

"What's the matter today?"

"I promised my wife a pomeranian, and the best price I can get on one is \$150, and it's too much," was the reply.

"You're right, it's too much," quickly responded the salesman. "I can sell you one for \$75."

"Fine," said the prospect beaming, "when can you make delivery?"

"Just a minute, I'll find out," said the salesman, who rushed out and down to a public telephone booth. Getting his partner on the phone, he said:

"Say, listen, I've just sold a guy here a pomeranian for \$75. Whatinhell is a pomeranian?"

M.T.

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Forty Executives Tell How to Stop the Hidden Leak in Every Department

Valuable Book, Shows Methods Which Have Proved Most Effective in Hundreds of Instances. Distributed Without Charge to Sales Managers, Advertising Managers, Auditors, Factory Superintendents and Other Heads of Businesses, Branches or Departments

REMARKABLE results have been obtained through a series of reports and records which make every leak, every error and every fault conspicuous. They also point out un-

For instance—a Sales Manager evolved a system which gives him, right at his finger tips, a vast fund of information that has resulted in a remarkable increase in business. He can tell almost at a glance, every condition which affects sales in every salesman's territory. He has a better insight into the customer's relations with his own house and with his competitors than the salesman himself.

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6. Acme card holders allow cards to lay back, permitting free use of both hands.
7. Changing from one size of card to another without slightest change in equipment.
8. Each card may be indexed and signaled at bottom of card and at top on reverse side, doubling its utility.
9. Make notation on indexed portion without removing card from holder.
10. Acme slange travel with card, maintaining complete record when removing for consultation purposes.
11. Sliding support for open trays.
12. Double wall construction; fire door and lock.

by our customers' Department Heads in collaboration with our own Planning Department. These forms are simple, easily and quickly kept up-to-date. Each form supplies a vast fund of valuable details which may be absorbed at a glance. Every form has proved itself a timesaver, an error saver, a speeder-up of business, an actual producer of increased sales—depending on the use for which it is designed.

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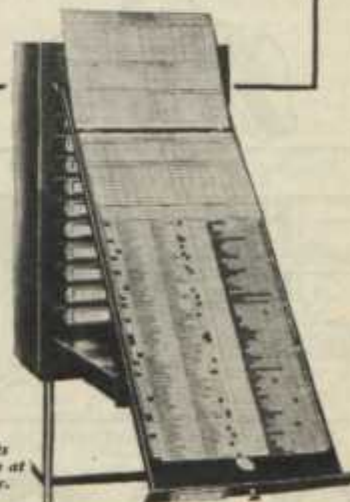
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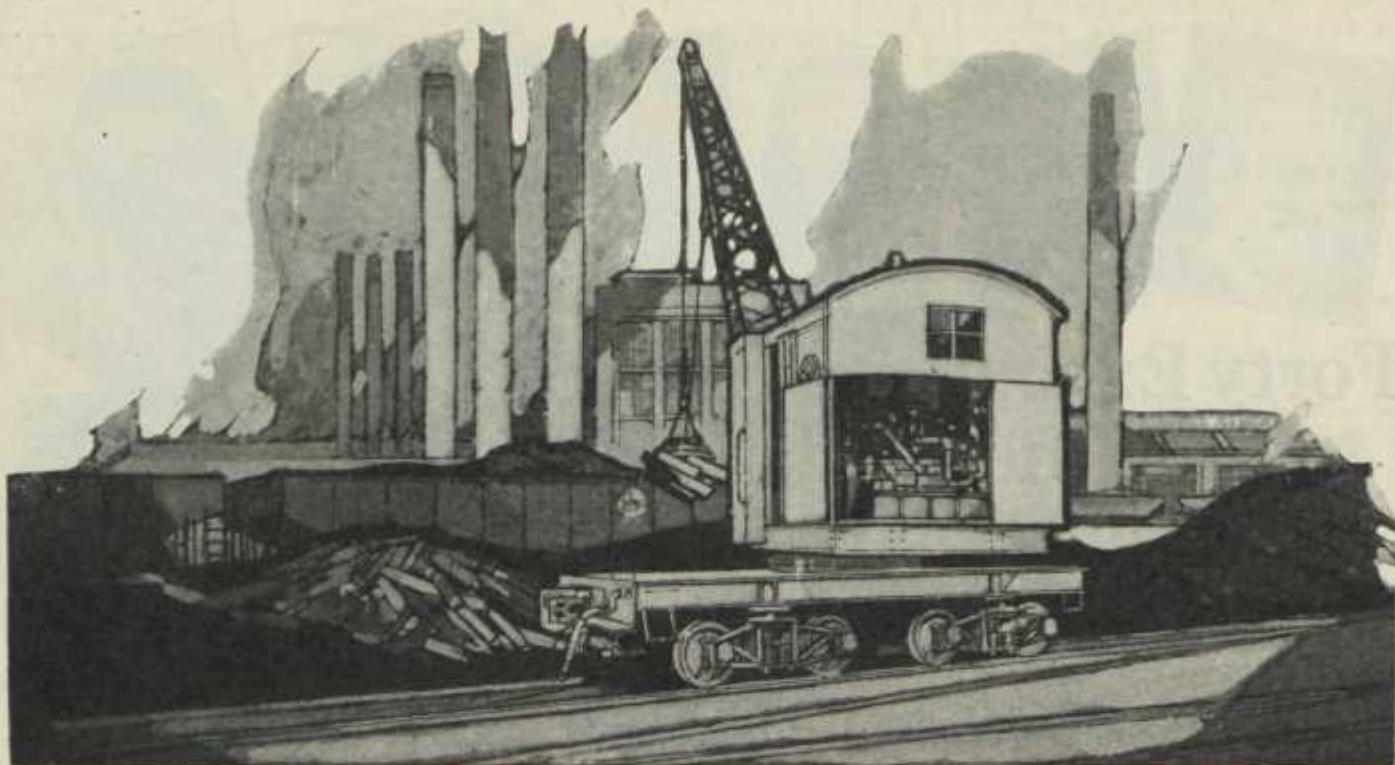
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M A T E R I A L H A N D L I N G E Q U I P M E N T



It's Spending Not Taxing That Counts

HOW MUCH can we afford to pay for the support of government?

That is a hard question to answer. It is an old dictum that while an individual regulates his spending by his income, a government regulates income by its expenditures. In support of this it is pointed out that in time of war "men part willingly with anything in order to avert evils impending on the country they love."

But this is true only to the extent that it states the possibility that in case of grave necessity a government may regulate its income by its expenditures. But it obviously is not wise for a government to spend more than its people can afford to pay in taxes.

How much the taxpayers can afford, is something that cannot be answered quantitatively, either in terms of millions or so, or in terms of a percentage of the people's resources, whether measured by property or by income. To demand a tax limit at \$100 per capita or at 1 per cent of property value or 20 per cent of income, is to raise a false issue. The question is not "How much money is spent?" but "Is the money wisely spent?" A community may well afford to pay heavy taxes for good schools and ill afford to pay low taxes and go without schools.

Back in 1776 the people of Pennsylvania wrote into their constitution this provision, which for homely common sense and wisdom is unsurpassed by anything since written:

"The purpose for which any tax is to be raised ought to appear clearly to the legislature to be of more service to the community than the money would be if not collected."

In short, we should demand strong evidence that money put into the public funds will be more wisely used than we could use it ourselves if left in our pockets.

When the taxpayers groan under taxes, it is not the amount of taxes alone that is to be examined, but rather the purposes of expenditure. The real problem is one of striking a nice balance between those things that can be best done by political or public enterprise and those best done by private enterprise. With these fundamental principles in mind let us examine the present situation in the United States.

In the first place, we are still laboring under a vast increase of taxation due to the war.

"IT ISN'T what you earn, it's what you spend." Platitude of platitudes—most tiresome of phrases. But truer of states and nations than of individuals, for the state, as it were, may raise its own salary almost indefinitely. And you and I must pay it.

Read first Prof. Plehn's account of the difficulties that stand in the way of saving money in nation, state, and city—of the constant call of "Spend! Spend! Spend!"

Then read Mr. Helm's mixture of fact and fancy, a summary of the spending bills Congress is asked to pass and a picture of what would happen if all were passed. Mr. Helm is Washington correspondent of the National Budget Committee, and it was he who did much to stir up tax interest by his article on the High Cost of Government in *THE NATION'S BUSINESS* in March, 1923.

But is the situation hopeless? Not at all. Much has been done; much will be done. The National Budget has accomplished a great deal. In the other tax articles Ex-Governor Lowden tells what he did in Illinois, and Governor Pinchot tells what he is doing in Pennsylvania. There is timely tonic in these two contributions.—THE EDITOR.

By **CARL C. PLEHN**

Former President, American Economic Association

In the case of the Federal Government this increase was the direct consequence of the war. In the case of the states and local governments it was only in relatively small degree a direct consequence, but was largely an indirect one, and was due to the debasement of the currency incident to the war.

In the process of getting down to peace conditions again we find ourselves confronted today by a very remarkable spectacle. In many states and in the Federal Government, too, there is a strong political group composed of persons not notably in accord on any other questions of public policy, opposing reductions of taxation that have been recommended by the executives. Executives are for tax reduction, because they find that the revenues are in excess of the public needs, while legislative bodies wish to maintain the present taxes and to continue the present rate of expenditure.

This spectacle is the more remarkable if we place it in contrast with the historical Anglo-Saxon struggle for the control of the purse by the representatives of the people. The result of that long struggle was the well-established theory that parliament or the legislature makes *only reluctantly* any grant of funds to the crown or to the executive. The crown or the governor was assumed to be the squanderer, and parliament, congress or the legislature stood for ceremony. Now the opponents

of reduced taxation take the position that they must force upon the executives the collection and spending of vast sums of money raised by way of taxation, which the responsible executives deem it inadvisable to take and unnecessary to spend.

Bringing this situation into the light but having nothing to do with creating it, has been the recent partly successful movement for the adoption of an executive budget. We do not find the same situation in those countries which, like Great Britain, have a parliamentary government and legislative budget system, for there the budget is the expression of the policy of the dominant party or majority in parliament. In short, the executive and parliament are there always in agreement and are not separate branches

or arms of government as with us.

Now the making of a budget necessarily involves the determination of a policy or policies of government. The latter is, however, traditionally and by the constitution a function of congress and of the legislature. Hence, the injection of an executive budget into our system places in the hands of the executive a powerful weapon for the direction of government policies. It in some measure makes the executive a third house, for he now not merely has the veto—a power to be exercised after legislative action, and weak because negative—but he also has the power to initiate financial legislation, policy-shaping legislation, and acts positively.

It is perhaps not so surprising that a clash has come, but it is surprising that the historical positions of the executive and legislative arms are reversed, that the executives almost everywhere stand for economy and the legislatures for extravagance. This cannot be explained by the budget system, which would logically work the other way round. That is, it seems to be far more natural as human nature is constituted, that a legislature should regard a governor's budget as a maximum and try to cut it down instead of regarding it as a minimum and trying to see how much more it can appropriate.

For the legislative bodies to assume that public spending must not be reduced regardless of its size or wisdom and that taxation in excess of the most liberal grants asked for by the executives must continue to be imposed, is to court disaster. Taxation just for taxation's sake, or taxation for the mere purpose

of altering economic conditions, or taxation for the purpose of pulling down the rich regardless of ultimate results, merely because the rich are objects of envy—all these are unspeakable abuses in a democratic government.

Moreover, the legislatures are pretty generally sustained in any extravagance whenever a question involving waste of public money comes before the people for a direct vote. Here the explanation is not far to seek, for it is safe to say that the taxpayers are greatly outnumbered at the polls by those who pay no taxes.

From the best estimate I can make there is certainly not more than one direct or conscious taxpayer in every four voters and probably not more than one in every seven.

It is, therefore, a very poor test of whether the taxpayers can or cannot afford a proposed expenditure, to submit it to a popular vote. Triumphant social democracy with at least three votes, and probably seven, to every one of the taxpayers can ride rough-shod over those who are in any position to know what the real burden is going to mean. Thus new public spending is repeatedly undertaken on the showing that the new things will be very nice to have, with very little reference to whether we can really afford to have them. A private individual seldom keeps a Lincoln car with a Ford pocketbook. But a nation, a state or a city may easily embark on public luxuries which mean unnecessary and undesirable absence of private comforts to say nothing of luxuries.

Secretary Mellon has already preached the sound doctrine that excessive taxation of incomes lessens to just the extent that it is excessive the amount of saving which can go on among us, and in a very direct and immediate way lessens the fund of new capital available for industrial and commercial enterprises. It would appear that each premise in his argument is indisputably sound and the

conclusion inevitable. We know that we cannot put men to work without capital and that the more capital there is at work, the larger the national dividend will be. The larger the national dividend, the more there will be for each.

Unfortunately the history of taxation is almost an unbroken story of the effort of one class to roll the burden of taxation upon another class or classes. The ruling class, be it a tyrant, an aristocracy or a tax-eating clique in a democracy, makes the ruled pay as much as possible and spends for its own aggrandisement. This goes on until the burden on the taxed becomes intolerable, and then a revolution—sometimes peaceful but too often bloody—ousts the exploiters, and the exploited begin a new cycle.

"No taxation without representation" has been criticized as a mere slogan of war, but it was meant as an expression of adherence to an ideal of equality. It is idle to belittle its importance, for it has helped ever since 1776 to keep alive the spark of divine justice in matters of taxation in the hearts of the American people. Our present difficulties do not originate so much in any deliberate abandonment of the accepted principles of justice in taxation as in the growth of extravagance and waste of the revenues that have been raised.

Where Reform Is Needed

IF THIS were merely a temporary excess—ence or a mere failure to apportion the burden equitably on the taxation side, the remedy could be very easily found, and one might be sanguine of its early adoption. But the trouble is not merely in the revenue or taxation side. The greater problem of public finance is the wise expenditure of the public funds so that they shall promote the welfare of all. Public spending is more in need of reform than even taxation.

Every branch of government, the federal, the state, the county,

the town and city, down to the smallest hamlet, is extravagant in the following particulars:

1, they are doing things that they ought not to do at all;

2, they are doing the things that they ought to do, badly, inefficiently and in many instances, excessively;

3, they are spending too rapidly, burdening the future to such an extent as to cripple their real resources, for the benefits do not accrue as fast as the burdens roll up.

To specify still further: they are doing things they ought not to do at all when they enter beyond reasonable limits into competition with the private citizen in fields in which the private citizen can function for the good of all. With a few exceptions every extension of government into shipping, land, transportation, manufacturing, merchandising or the provision of heat, power and water, is extravagance when it so competes with the private citizen as to lessen the incentive to discovery, invention, development, thrift and industry.

If we confiscate—which is the effective meaning of the seductive term "conservation"—oil and sell it or use it at a loss, we not only get a public scandal, but we forestall by removing the incentive thereto, individual prospecting and development. Seduced by the specious term "conserve natural resources," we have adopted a policy resulting in the idleness of natural resources.

It may be readily conceded that there are cases in which government can and does conduct public enterprises successfully and better than they would be conducted privately. I might be ready to concede even that the evidence is fairly in favor of government-owned and operated city water works and strongly in favor of most of the operations of the post office, and might extend this list. But we should not overlook the fact that every extension of government undertakings of this sort lessens the amount of private property subject to taxation and increases the relative burden on the thus restricted number of taxpayers. The railroads of the United States pay many



Tom, Dick and Harry—and Margaret, Sarah and Jane for that matter—six or seven millions of them all over the country—paying Federal income taxes. Here's a group of them, plain folks, not folks who say to a lawyer "make out my income return" and to a clerk "draw a check." And for every one of them there are three or four more who pay taxes and don't know it. Every one of them is paying taxes in his state, his county, or his city, and probably all three.

millions a year in taxes. If the Government takes them over, it loses that source of tax revenue, and by lessening the amount of taxable property without decreasing but probably increasing the general costs of government, increases the burden of all remaining private property.

To illustrate, suppose that the state of California and its cities were to take over railroads, public utilities and other enterprises up to one-fourth of all taxable property. Then 75 per cent of the property now taxed would have to pay all present taxes and probably more. The result would be an increase of 33 1-3 per cent in tax rates. It would require a marvelous improvement of operation under government operation to return a benefit sufficient to cover so heavy an increase in taxes. It is no answer to this to say that the compensation paid for the confiscated properties would be taxable property.

Nor is regulation, our boasted substitute for public ownership, much better. It is hard to conceive of a much more effective way of discouraging enterprise, effort and inventiveness in railroading for example, than the combination of regulation of rates and recapture of excess earnings. Since the creation of the Interstate Commerce Commission there has been little or no improvement in the fundamental mechanical operative principles in railroad transportation, and by reason of that stagnation, the Government has built highways over which—narrow, steep, curved and otherwise primitive as they still are—traffic can move more cheaply even in single cars than in the commodious trains of the railroads.

So much by way of illustration of the first count.

Upon the second count we need less specification, for graft, laziness, and in general inefficiency in government office are unfortunately too familiar. But we may look at a few cases. Typical of many is street lighting. That streets should be lighted is obviously necessary. A rich city may, like a rich man, have the luxury of a blaze of light if it can afford it. But if the poor neighbor follows suit just to be in style, it is all foolishness.

Education is necessary, and no community in the country is so poor that it cannot have good schools provided they give all that is essential to the real development of the children's brain power. But no community, no matter how opulent, can afford schools which in their endeavor to spend the money voted

by a good-natured but irresponsible and wholly indulgent majority, run to fads and fancies and waste not only the public funds but the pupils' time.

I have heard an official of high rank in the supervision of a great state school system say that "if the people want training of beauty-parlor specialists given in the schools, then the money to give that training must be forthcoming."

There is a saving grace in the schools that the spending of school money is more or less under control, by influence, of intelligent teachers. But we have in all parts of the country evidence that even in the schools money can be wasted. Perhaps the inter-district rivalry in decorative schoolhouses is the most familiar illustration.

But the third count is still to be illustrated, too rapid spending. Upon the ethics of and inherent dangers in the purchase of furniture, pianos, rugs, automobiles and even clothing, on the installment plan, a good deal might be said pro and con. But one thing is clear, and that is that the last installment ought to be paid before the thing purchased is worn out, and furthermore that the obvious risks must be guarded by insurance.

Count the Cost First

BUT NEITHER of those rules is always observed in public spending, the second because it cannot be, and the first by sheer failure to recognize its existence. Thus the rapidly growing communities in some of our new states felt moved to install long before they could properly afford it, a school system equal to the best to be found in the most fully settled and opulent states. They eventually found themselves burdened with debts and staggering under tax burdens which discouraged new settlers and even drove away old ones before the schools provided were even fully in use.

The city of Grand Forks, N. Dak., borrowed money to buy a fire engine. The North Dakota State Tax Association tells the story as follows: Fire engine cost \$6,000, plus interest for 35 years, first on \$6,000 at 7 per cent for 15 years, equals \$6,300; then on \$5,000 refunding bonds, at 6 per cent for 20 years, \$6,000; total cost \$18,300. The engine went on the junk heap after 10 years. Still due on the engine, \$5,000. Departed though dear to memory still.

If you put a child on an allowance, you will probably find that he soon learns that he can have what he wants by waiting and saving. Most well-regulated families run on the same principle. But our Government often fails to wait and never saves. Why is that? I have sometimes thought of proposing that instead

of creating a sinking fund to extinguish a debt, there should be created an accumulative fund to avoid going into debt. But I know that such a policy is hopeless.

All this is nothing but the obvious result of lack of application of plain common sense—just the sort of stuff you will find in Ben Franklin's Poor Richard's Almanac. Why is it that our people, shrewd enough in their own affairs, do not as voters apply the same common sense to public affairs? Why is it that no experienced tax man is willing to suggest today either tax reform or new sources of revenue? It is because he knows full well from bitter experience that the more taxes he raises, the more extravagance there will be.

It seems to me indisputable that the tax base is too small for the tax burden. One way out would be to enlarge the tax base, which can be done by making more people pay. The danger here is that it would merely mean more money to waste. The other way out is to decrease or limit the spending.

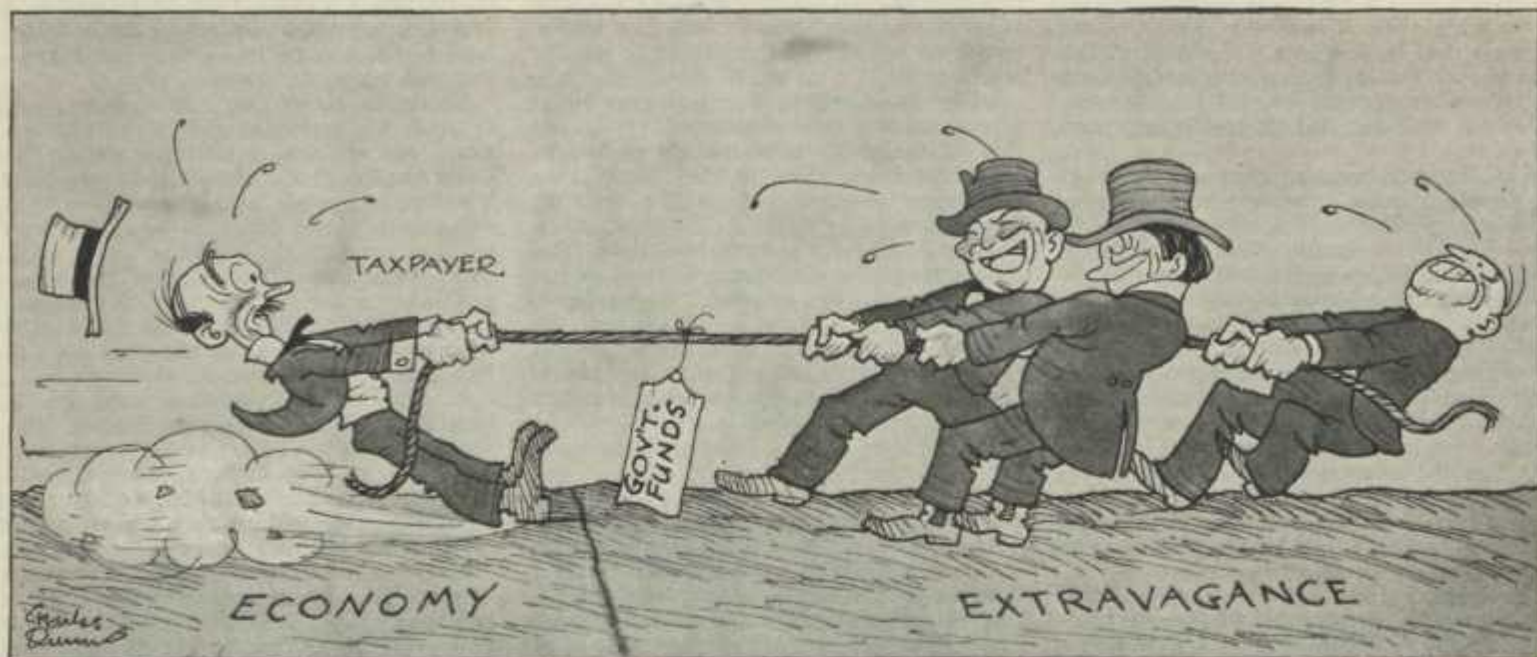
If I am correct in my three accusations that our governments are: (1) doing things they ought not to do; (2) doing the things they ought to do, badly; and (3) enlarging their field of activity faster than we can afford; the best way out is a curtailment of public spending.

Such a policy would check waste and extravagance and enlarge the field for and increase the rewards of private inventiveness, discovery, initiative, effort, industry and thrift which every invasion by government into the field of private enterprise tends to discourage. At the present junction that means upholding the hands of those executives who have dared to seize on the new budget system as a means of retrenchment and economy. It would appear from the support given to these executives that our nontaxpaying majority are not so void of a sense of justice or so blind to the sound principles of economy as to desire to exercise their powers to the undoing of us all.

The central problem of government finance is the wise expenditure of the public funds. The sole test of wisdom in this problem is to ensure that the public spending shall promote in the highest degree the welfare of all.



Where goes the money you and I pay to the Federal treasury? Here's part of the answer as the editor sees it each afternoon from his office window. Just a handful of the Federal workers in Washington. In thirty departments and independent establishments some \$5,000 men and women work. Outside the district are nearly half a million more. Not idlers, many of them hard workers and poorly paid, but a part of the system which makes necessary the taxpaying linn.



There is certainly not more than one conscious tax-payer in every four voters, and to submit it to a popular vote is a poor test of whether the tax-payers can afford an expenditure.—Prof. Carl C. Plehn.

The Call on Congress to Spend

By WILLIAM P. HELM, JR.

Author of "Truth About Taxes"

ONCE upon a time a Congress was elected to office. The Secretary of the Treasury heard about it, so he called in his advisers and addressed them.

"Congress will soon be with us again," he said. "They'll want some spending money. Tell the experts to sharpen their pencils and get busy. We want to know how much we're going to take in next year."

In due time the experts worked out the answer. They sent their spokesman with a detailed memorandum to the Secretary.

"How much?" asked the Secretary.

"Four billions, more or less, is what we make it," was the reply. "And that is all." "Every cent?"

"Every cent, including what's in the Treasury now."

The Secretary put the memorandum under his arm and ambled over to the White House, where he laid it before the President. The President looked it over and put it aside until Congress was on its way to Washington. Then he wrote a note telling Congress of the state of the nation's finances, and sent it with the memorandum up to Capitol Hill.

"For all expenses of government during the coming year," the note said in effect, "there'll be about \$4,000,000,000 in the Treasury. Let us be careful how we spend it."

Whereupon Congress introduced bills calling for the expenditure of about \$12,000,000,000.

The Congress is the present one; the figures, actual. The \$12,000,000,000 spending program is obtained by adding the appropriations of bills introduced in Congress, and the \$4,000,000,000 estimate of money available comes from the Bureau of the Budget.

Now, no one need worry about all these bills being passed or any great part of them. Many of them are introduced "by request" and were never meant to live. But there they are all printed and labeled and numbered "H. R. 12345" or S. 67890."

But pile them all up and they're a monument of the demand to spend, the call on Con-

gress for cash, a call so loud that if it were answered we can only guess at what would happen. Let us speculate a moment on that subject.

If, by a miracle, all those bills were to pass, it would be necessary to double or more than double all taxes. Think of it! Tariff duties double what they are at present; income taxes twice as much as you pay now.

Still the Government now collects 58 per cent income tax on large incomes. Doubling the tax would mean collecting 116 per cent. Which offers difficulties.

What Results Could Be

THERE are other considerations, too. Imports, for instance, probably would dwindle to a mere trickle. Business firms would shut up shop by the hundred, in all likelihood, because they couldn't stand the tax burden. That, in turn, necessarily would lead to general unemployment and—what else?

Congress must, of course, pass the regular appropriation bills. They provide money for paying the interest on the public debt, retiring some of our short-term securities, putting something into the sinking fund, and in general keeping the wheels of government turning.

These bills call for the spending of about \$3,700,000,000. A couple of deficiency bills will bring the total up to \$4,000,000,000 which gives a good start towards \$12,000,000,000.

Then there is the bonus bill. Just what that will cost is still a moot question. The government actuary who is a pretty close figurer—he has to be or he couldn't stay where he is—puts the total somewhere between \$4,500,000,000 and \$5,000,000,000. If we put it at the former figure, we have still \$3,500,000,000. Who wants to spend that, and how?

Suppose we look at a tabulation of money-spending bills proposed to this Congress and

arranged by government agencies. These are bills over the budget appropriations. They don't total that \$3,500,000,000, but the list was compiled some weeks ago and there are enough more in sight to fill our quota. Here's the list:

Department of Agriculture.....	\$1,758,320,000
Department of Commerce.....	500,000,000
Department of the Interior.....	140,571,578
Department of Labor.....	8,145,000
Navy Department.....	44,076,953
Post Office Department.....	120,127,487
Department of State.....	30,426,400
Treasury Department.....	19,503,293
War Department.....	162,088,231
U. S. Veterans' Bureau.....	9,329,234
Miscellaneous:	
Department of Education.....	100,500,000
Public Buildings Commission bill (D. C.).....	50,000,000
Public buildings throughout the country.....	165,000,000
Bonus and additional increase for field service.....	29,516,000
Other miscellaneous.....	3,134,000
District of Columbia.....	2,868,000
Total.....	\$3,143,606,176

Bills that affect farming are much in evidence so it is not surprising that Agriculture leads the other departments not only alphabetically, but in amount. Let's look at a list of the bills which authorize that department to spend:

- Purchase, storage, etc., of wheat, \$30,000,000.
- Eradicating predatory wild animals, \$300,000.
- Creating National Department of Highways, \$10,000,000.
- Insect Infestation, California, \$150,000.
- Eradication of grasshopper, \$90,000.
- Endowment of agriculture experimental station, California, \$720,000.
- Storage of grain under federal custody (?).
- Construction of Memorial Highway to Mt. Vernon, Virginia, \$750,000.
- Purchase of valuable seeds, \$360,000, and

Construction of Memorial Highway to Mt. Vernon, Virginia, \$750,000.

Purchase of valuable seeds, \$360,000.

To promote agriculture, \$1,000,000,000.

Bird and fish refuge, \$3,300,000.

Protection of forest lands, \$2,700,000.

Construction of roads, \$30,000,000.

Purchase and sale of farm products, \$100,000,000.

To promote equality between agriculture and other commodities, \$200,000,000.

To promote American agriculture, \$300,000.

To promote self-supporting agriculture, \$75,000,000.

Acquisition of forest lands, \$2,500,000.

Experimental Station, Galapin, Tenn., \$250,000.

Relief of drought-stricken farmers, \$1,000,000.

Purchase of nitrate of soda and calcium arsenate, \$10,000,000.

Wheat Prices Stabilization Act, \$305,300,000.

Reimbursing parties for losses, \$250,000.

Forest experimental station, Florida, \$200,000.

Purchase of land, Superior National Forest, Minn., \$10,000,000.

Miscellaneous items, various acts, \$230,000.

That's a lumping together of all sorts of bills, good bills, bad bills, indifferent bills; bills that perhaps will pass, bills that possibly might pass, bills that will get a funeral oration before they are laid to rest, and bills that are already dead and buried but may not know it.

Incidentally, the half-billion listed for the Department of Commerce is a bill for a "Bureau of Marketing for Agricultural Products" so the farm influence spreads further out.

It is interesting to note that Secretary Hoover's department, for all its activities, now spends around \$20,000,000, and further, that this half-billion dollar marketing bureau is to have a \$5,000 a year commissioner at its head.

But the demands on Congress to spend money are by no means confined to measures which affect the farmer. Suppose we list the

proposals which if they became law, would let the Secretary of War spend in addition:

Estimated increase in River and Harbors over Budget, \$8,000,000.

Waterway, Ohio to Lake Erie, \$45,000,000.

Purchase of Cape Canal, \$11,500,000.

Inland Waterways Commission, \$5,000,000.

Improving Illinois River, \$5,700,000.

Improving and completing certain waterways (bond issued) S. 1436, \$73,000,000.

Other rivers and harbors, various bills, \$3,290,000.

Buildings for Air Service, \$2,000,000.

Roads and highways, various bills, \$552,500.

Purchase of land, Fort Bliss, \$366,000.

National Military Park, La., \$4,500,000.

Military Posts, monuments, etc., various acts, \$387,160.

Reimbursing States for cost of raising troops, various acts, \$683,527.

Claims for employees, Bethlehem Steel Co., H. R. 5481, \$1,600,000.

And there is one thing about spending money, government money; that is, it grows

yielded to every call and passed the whole hodge podge of bills, good and bad. Conceive the Capital six months or six years from now!

That big building going up on the Mall is an addition to the Bureau of Engraving and Printing. It is necessary for printing the scrip.

What scrip? Why the scrip the Government uses to pay the farmers for their products. That was authorized, you remember, under the law creating an export commission which buys farm products for export—under proper license, of course, from the grain corporation—and pays for them with cash and scrip. It controls the flour, cattle, sheep and swine markets.

Washington is growing. They're putting up \$50,000,000 worth of new government buildings, for one thing; for another, we've added 150,000 government employees to our population. We've got more people here now than we had in war time.

Why? You don't suppose all these new laws can be administered without employing a lot of men and women, do you? Why, the new post office buildings alone have given employment to about 5,000 people here.

No, the new post office buildings are not in Washington. They are located at important points in the various congressional districts. There were bills calling for 795 new buildings on March 8. The total probably is now about 1,000.

We might go on indefinitely, but after all they're only bills that we have been discussing, and the gap between bill and law is a wide one. We aren't headed for ruin just because bills are introduced, but it's worth the while of every business man to devote a minute's thought to this spending mania—this piercing call on Congress for money and more money.

Nor is it alone in the National Government. The number of bills introduced into each state legislature is amazing. In 29 legislatures in session in 1923 more than 30,000 bills were introduced—and most of them aimed at spending money.

THERE'S a tradition, perhaps a fact, that once a new man came to Congress with an avowed policy from which he never deviated so long as he sat in the House. This was it:

He never voted against an appropriation bill, and he never voted for a bill to raise money by taxation.

He went before his constituents with a clean slate. He'd never failed to give every one all that he wanted, and he'd never asked anything in return.

There aren't enough of him to realize Mr. Helm's idea, but this illustrates his point.—THE EDITOR.

as it goes along. It would be easy to cite bureaus that have multiplied employees and whose cost mounts yearly. It might be said of government agencies that many are born and few die; many grow, but few shrink.

And every spending project calls forth others. Conceive Washington if Congress

Illinois on a Business Basis

By FRANK O. LOWDEN

Ex-Governor of Illinois

WHEN I became Governor of Illinois in January, 1917, there were something over one hundred and twenty-five independent and unrelated agencies of the state government, sometimes composed of boards, sometimes commissions and sometimes individual officials. In fact, so confused was the situation that no two agreed upon just exactly how many independent activities the state was conducting.

This resulted in much overlapping of work. In purchases there was competition between the different agencies of the Government, and there was, of course, needless expense. Above all, there was greatly reduced efficiency. In theory these various offices were supervised by the governor, but in fact it was absolutely impossible for him to exercise any adequate supervision over them. They were scattered over the state, frequent personal contact with them was out of the question, and for all practical purposes the state government was without an actual head. Energetic and com-

petent administration was impossible.

One consequence of this haphazard method, or lack of method, of government was lack of law enforcement. Something went wrong or seemed to go wrong, and a law was enacted, and there the matter rested, as though the law were an end in itself. We were confronted with a problem requiring solution, and then the legislation passed the problem on to a commission and felicitated itself that it had solved the problem.

It is a grievous error to enact a law and then to disregard it. Even the best law badly administered is worse than none, for ours is a government of law. In America the sovereign power resides in the people, but the people speak only through the law. Whenever, therefore, law is disregarded, the sovereignty

of the people is insulted; and no sovereign power, whether it be *demos* or king, can long rule unless it has the vigor and the will to vindicate itself.

The problem was to gather up the scattered agencies and to reorganize them into departments of government. Upon a study of the nature of these agencies we concluded that they logically fell into nine groups. We then abolished the more than 125 boards, commissions and independent offices and created nine new departments to take over their functions. These departments were:

Department of Finance
Department of Agriculture
Department of Labor
Department of Mines and Minerals
Department of Public Works and Buildings
Department of Public Welfare
Department of Public Health
Department of Trade and Commerce
Department of Registration and Education
The powers and duties of each department are

defined by the code. The question then arose as to whether these departments should be under the control of individuals or of commissions. In acquiring the habit of creating a board or a commission to take care of government work we have assumed that if something important was to be done, it would be best done if done by a body of men, and not an individual.

The fact is—as all who have had experience in business of any kind know—that it is the individual who does things, not a board or a commission. There is no commission anywhere, there is no board anywhere, that does things affirmatively unless it is dominated by one man; and the only benefit from the other members of that body is in their advisory capacity.

One Man Gets Results

ALWAYS it is an individual on the board or commission who takes the initiative and the body is fortunate if the other members do not hamper him. I am speaking now of administration. A commission may be desirable where quasi-judicial or quasi-legislative powers are exercised. Where, however, the duties are purely or largely ministerial, experience has shown that it is a man, not a body of men, who gets results.

There are some who have assumed that large responsibility could be more safely deposited in a body of men than in a single man. Experience has not justified this. Where the responsibility is upon the individual, he cannot shirk it. Where it is placed in a body of men, the individual can find shelter behind that body when called to account for the manner in which he has exercised his power.

There also is a deadly inertia in a board or commission which is not so likely to be found in the individual. It is a true saying that "what is everybody's business is nobody's business." It is equally true that where several members of a board or commission share a given responsibility, no one of them feels that responsibility as keenly as though he bore it alone.

It may happen, however, that the head of a department, upon some important question of policy, would like the advice of able and experienced men. We, therefore, provided advisory committees. The members serve without pay. We have found that many of the ablest men in the state are perfectly willing to serve upon an advisory committee without pay, although they could not be induced to take a salaried position. In this way we availed ourselves of the best talent within the state upon the various subjects of state administration.

Our Civil Administrative Code provides for the various subordinate officers within the several departments. It does not, however, attempt to define their precise duties. These duties are prescribed in rules and regulations formulated by the head of the department, and not by statute law.

Trimming the Red Tape

MUCH debate arose over this proposition. It was objected that this conferred too much power upon the individual head of a department. Many thought that the code should define precisely the duties of the heads of divisions in the several departments.

In my judgment, to have adopted that theory would have greatly impaired the efficiency of the code. "Red tape" would have inevitably crept in. Much of the delay, the inconvenience, even the inaction, which results from what we call "red tape" is not so much the fault of the official as it is of the law and of its many unnecessary precisions.

Where Congress, in launching government into some new activity, has created a bureau or division, the law makers have customarily gone into infinite detail; they have prescribed with exactitude the duties of each official; they have so limited and delimited the powers to be exercised that the bureau or division is in no sense under the control or direction of the head of the department to which it belongs.

The result is inevitable. Instead of actually molding and directing a single department in all its parts, he becomes the presiding officer over a large number of bureaus, each of which is practically independent of all the others.

It is said that there are ten departments of government at Washington. That is so only in name. In fact, there are many times ten independent and practically unrelated agencies of government there. No department under these circumstances can avoid becoming rigid and law-bound, and "red tape" necessarily becomes the rule. If, instead, the department head were authorized to prescribe the duties of subordinates, the "red tape" would largely disappear.

The chief officials under our code, such as directors of departments, have their offices in the capitol at Springfield. The directors of departments and the Adjutant General, who is the head of the military department of the state, constitute the governor's cabinet. The governor thus is in daily touch with every activity of the state government. If a weakness develops in the remotest part of the state, he has the means at hand to correct it promptly through the head of the proper department. The head of the department, in turn, through his chiefs of division, over whom he has complete control, can at once reach the weak spot.

Efficiency in Public Service

THE MAIN purpose of the Civil Administrative Code was to make government function, to give to public service something of the efficiency which goes with private service. That it has accomplished this, no responsible person, I think, in Illinois would deny.

Incidentally, it has resulted in great savings to the people. Naturally the appropriations increased as a result of the war. The total appropriations for the state government for the biennium beginning July 1, 1919, and ending June 30, 1921, exceeded the appropriations for the biennium beginning July 1, 1915, or four years before, by something like 36 per cent.

A comparison of the total appropriations for state purposes of Pennsylvania, Ohio, Wisconsin, Minnesota, Massachusetts, New York and Michigan—the only other similar states whose completed figures I have been able to get—shows an increase for the same period of from 48 to 108 per cent, or an average increase for the seven states of 76 per cent.

The increase in Illinois during the four-year period was, of course, much less than the decrease in the purchasing value of the dollar. In addition, the indirect revenues of the state, because of the increased efficiency in administration, increased very considerably.

An outstanding achievement of the code was that of locating and correcting extravagance and incompetency. This was done through the Department of Finance, one of the nine departments, as we have seen. This department was made the keystone of the structure. It exercised two sets of powers: (1) It was charged with the general supervision of the finances of the state; and (2)

it was required to prepare a state budget.

The Department of Finance was a new conception in our state government and in that of the government of any American state, I think. Its function was to see that the government lived within its income, that unnecessary expenditures were checked, that unwise expenditures were prevented and the policies of departments were controlled and coordinated. While other departments were imbued with the ambition to extend departmental activities, the Department of Finance occupied the position of sympathetic critic, proportioning expenditures so as to carry out all administrative policies. By this means a well-balanced administration, serving the needs of the whole state, was secured. Without it expenditures were incapable of apportionment in accordance with the needs of the various branches of government.

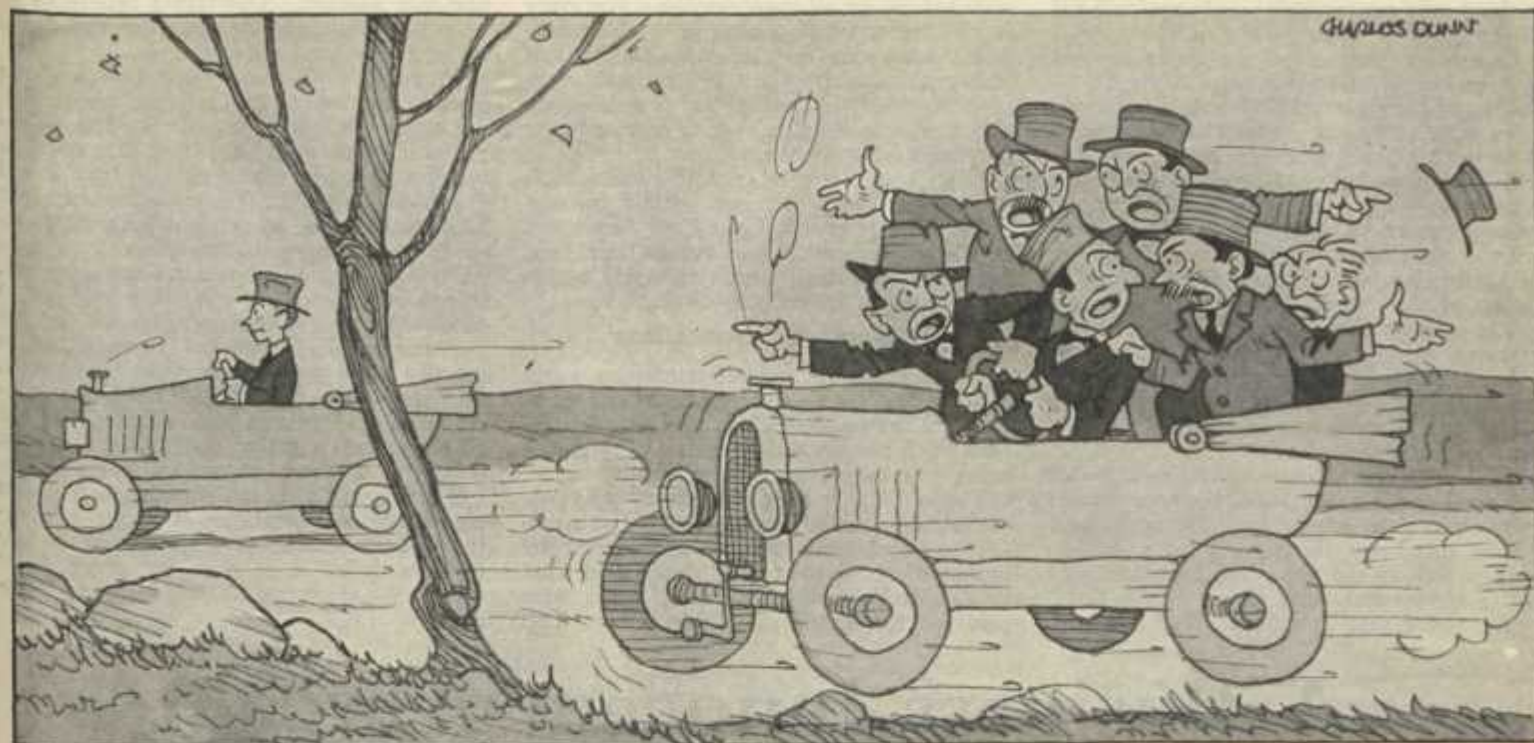
Consultations on Finance

FINANCIAL control occupied a large part in the activities of the department. The law charged it with the duty of prescribing a uniform system of bookkeeping, with the duty of examining and approving, or disapproving, of all bills, vouchers and claims against the other departments. This power compelled other departments, not as a matter of law but as a matter of administrative expediency, to consult the Department of Finance before any unusual expenditure was made, and to procure its advice. In order still further to promote coordination of expenditures, as well as cooperation among the departments, meetings of directors were held, and financial as well as other policies were discussed. The result of this procedure cannot be stated in dollars and cents. It did not appear upon any particular balance sheet. It was reflected in the general result, not only in unity and efficiency of administration, but in the tax levy, which in times of mounting prices had been reduced.

The Department of Finance was also required to prepare a budget of estimated expenditures and receipts, to be submitted to each regular session of the General Assembly. In the exercise of his general supervision over expenditures the Director of Finance in effect began the preparation of the budget a biennium in advance. That is, on the first of July, 1917, in approving or disapproving vouchers and investigating into the financial conditions, he was gathering information all the while to enable him intelligently to judge what the appropriations should be for the next biennium. When the next legislature met, in January, 1919, the Director of Finance had a budget ready. The old way was for each official who expended public money to make an estimate of what he desired and to submit that direct to the General Assembly, without revision by anyone.

Budget Stopped the Guessing

HE ALWAYS asked for what he needed and usually for more; and therefore the legislature, no matter how earnestly it tried to meet its duty, had to guess at the amount of appropriations. All this was changed in the budget submitted by the Director of Finance. He had, in the first place, the information he had acquired as to the needs of the various activities of the state in the exercise of his power of general supervision over the finances; and in addition he had been able to investigate, himself, when a request was made by any official charged with the expenditure of money, as to the exact needs of the case. The budget thus submitted went before the Appropriation Committees of the House and Senate, and was enacted into law.



"It is the individual who does things, not a board or a commission."—Ex-Governor Frank O. Lowden, of Illinois.

Saving \$40,000 a Day

By GIFFORD PINCHOT

Governor of Pennsylvania

THE GOVERNMENT of Pennsylvania is costing its people \$40,000 less every working day than it did two years ago. Why and how that happens to be the case may be worth the telling.

When I was nominated for governor I asked a representative body of men and women of the state—under the chairmanship of Dr. Clyde L. King, of the University of Pennsylvania, a well-known authority on public finance—to make a thorough investigation of the state government, including its financial condition and prospects.

Dr. King's committee brought together such a mass of information as I venture to believe no incoming governor of any state has ever had. Included in it was a thorough analysis of the financial methods and conditions of the state government. This analysis showed that there was no such thing as a uniform system of accounting for the state; that each department followed its own sweet will, so that comparisons between their results were substantially impossible; that by a system of deficiency appropriations the amounts allotted by the legislature to certain departments were systematically increased at the pleasure of the executive officers; that there was no uniform purchasing system; that any sort of fiscal control in advance of expenditure was unknown; and generally that the business methods of the state were in a hopeless muddle.

The result of all this was that for many years the State of Pennsylvania had been living beyond its income. When I took office we were \$29,000,000 short of starting even.

Notice was given during the summer that the deficiency system of appropriating money to themselves by departments which were not satisfied with what the legislature had appropriated for them would no longer be tolerated, and work on a state budget was then begun.

The wiping out of the deficiency of \$29,000,000 in the first two years of the present administration is now assured, and without

serious impairment of the service. On the contrary, I have no hesitation in saying that not merely equal service but decidedly better service is now being given for every \$3 we are spending than for every \$4 expended before, and that in spite of higher costs and higher wages.

One week after inauguration, in the first budget ever submitted to a Pennsylvania legislature, I suggested that the administration would meet the deficiency of \$29,000,000 by cutting the appropriations to the appointive departments by this sum, provided the legislature would take care in another way of the increased subsidies to common schools, which it had already authorized by law. This reduction of \$29,000,000 cut down the appropriations from the general fund to the appointive departments (not including the three elective departments) by one-fourth of the total amount.

Detailed Department Budgets

IN ADDITION to the general budget, each department was required to submit its own budget in detail after the appropriations passed by the legislature had been approved. This compelled the departments and other spending agencies so to plan their budgets in advance as to avoid deficiencies, and also gave opportunity to discuss the relative merits of the different purposes for which the appropriations were to be spent to the extent that these purposes were not definitely fixed in the appropriation statutes.

Another measure intended to put the state on a pay-as-you-go basis at the earliest possible moment was to postpone wherever possible 10 per cent of the appropriations to the second year of the appropriation period. To put it differently, each spending agency was asked to spend not over 45 per cent of its

total appropriations in the first year.

When I took office I found good standards for accounts in but few of the departments and no uniformity in accounts among the departments. The result was that in fiscal matters the departments never could talk a common language.

On the first day of the new fiscal year we put into operation throughout all the appointive departments and throughout the institutions of the state not only a complete system of fiscal control, but also a uniform system of accounts that makes it possible for the governor to compare expenditures of different agencies and thus have a basis at least for making a reasoned judgment as to public policies.

To illustrate: In one month of 1923 the overhead expenses budgeted for the different insane hospitals in the state varied from \$9.46 to \$52.29 per capita. The budgets for shoes and clothing varied from \$7.70 to \$18.83 per capita, while professional care of patients varied from \$36.18 to \$83.34 per capita. One institution was planning 3 per cent of its total appropriation for administration, while another was planning 16 per cent for the same purpose.

When expenditures are put on a factual basis through uniform accounts and such facts as the above are revealed the question immediately becomes one of proper standards as to public expenditures.

By the time such comparative costs are obtained for all comparable institutions and agencies in the state, standards of administration can be set up so that the competency of one administrator can be fairly compared with that of another.

Previous to this administration the salaries for one-fourth of the employees in the state had been designated by statute. The salaries of three-fourths of the employees had been fixed by the heads of departments. There had been no consultation between these heads as to standards for salaries, and there was

nothing even approaching equal pay for equal work.

Messenger service of the same general kind was being paid for at rates of from \$600 to \$1,400 per year. Mail clerks pay varied from \$780 to \$2,400 per year; stenographers \$780 to \$2,000 per year; typists \$780 to \$1,500.

In many cases high-sounding titles were chosen to justify higher pay from the appropriating powers, who did not look behind the window dressing. Thus there were a number of statisticians on the payrolls. An examination of the work these men actually did led to classifying most of them as tabulating machine operators. One individual had the title of building superintendent. An examination showed that he had nothing to do with buildings and was not a superintendent. The job analysis classified as "Clerk, Class B."

In the first eight months of this fiscal period the total payrolls for the appointive departments under the general fund averaged about 14 per cent below the payrolls for a comparable period in the preceding biennium, and better service was being given.

We found that in practice there was not

open bidding on all state supplies. For many articles the state was paying as much as one-fourth more than private individuals. This has been changed. There is now open competitive bidding. Savings as a result have been pronounced. The state is getting better supplies for less money.

Pennsylvania is a large state and its institutions are widely scattered. Rigid centralization of state purchasing did not seem wise. On the other hand, it was evident that local purchasing had usually been carelessly and in some instances fraudulently done.

Buying on Specifications

I URGED that a central purchasing agent be given the power to make specifications for the purchases by these state institutions with the option to each institution of either (1) buying on these specifications, or (2) appointing the state department as its purchasing agent, or (3) writing up its own specifications and doing its own purchasing by simply informing the central department what its specifications were and what prices were paid for the articles thus purchased. This

plan was adopted. This plan I believe to be unique in Pennsylvania, and our experience under it thus far justifies the plan.

In addition to fiscal reconstruction, the working machinery of the state government has been completely reorganized. The old organization was based on nothing that could be called a plan. Like an unpruned tree, it had grown as it pleased. There were twenty-four departments, two independent bureaus, eighteen independent boards, two independent councils, forty-nine independent commissions, thirty-nine independent officials, a total of 139 unrelated units responsible to no one but the governor, which meant, of course, that in practice they were responsible to no one. The plan for reorganization which was presented to the legislature, and adopted, brought all these units together under fifteen cabinet officers and three appointive commissions.

The financial mess in Pennsylvania has been cleaned up, and principles of public administration have been adopted that assure the taxpayer a dollar in services for every dollar spent. We are saving \$40,000 for every working day.

A Business Innocent Abroad

ON BOARD S. S. LAND.—Last Tuesday night, March 5, a few minutes after 11 o'clock this 18,000-ton liner left her pier in New York Harbor for a forty-day pleasure jaunt to a half dozen Mediterranean ports. Four hundred passengers, American business men, wives, daughters, mothers-in-law, make up the list and not one is bound on business.

Also include a collection of settled widows, relicts of American business men who died from being too busy. Here is an idle ship on an idle cruise with an idle passenger list—a list made possible in the main by the men folks—the busiest kind of men.

How do these "driving forces," these "human dynamos of commercial achievement," convince themselves that they can leave the old dollar mill, put the ocean between themselves and all that will be dear to their heirs, and run away to the more or less sunny Holy Land and points East?

Having nothing else less worth while to do, I made it a point to ask not only the captains of finance in the party, but the second lieutenants, corporals and privates. Their answers proved how thoroughly standardized we are becoming.

"How did I happen to decide on this trip? Yes, how did I—yes. Well, the doctor said—"

And then I hear in detail just what the doctor had said. Summed up, doc had advised him to forget all about White Sulphur and Palm Beach and to go just as far away from any communication with the stove works or the feather duster factory, as a ship could carry him. Do that or prepare to have six of his best friends slip on cotton white gloves and "join in Hymn 42—Lead Kindly Light—Hymn 42."

"And so my wife and I talked it over and were lucky to find some space left on this ship, and so here we are."

Don't imagine it's a collection of hospital subjects. Physically they are in medium to choice condition. Mentally, too, they will

HENRY SCHOTT, who contributes these lively Comments on Business, is a business man himself, a mid-west business man with his hands and head full of work. He is not one of the business men who slip off to Europe as easily as the man in the office around the corner from you slips out to play golf. When he goes to Europe he goes all over. Mr. Schott was vice-president of Montgomery Ward & Co.; now he's vice-president of the Seaman Paper Company and mostly he works. Even when he travels he has to do something, so he writes, and writes well and amusingly.

By HENRY SCHOTT

grade fair, but temperamentally they had become No. 1 Extra Choice grouches and if we could go back of the returns we would probably find that the wives had not a little to do in writing out the doctors' prescriptions. Anyway, "the doctor said to me—"

The first day in the smoking room was devoted to discussion of

- (1) the Income Tax
- (2) the Mellon Bill
- (3) the 25 per cent reduction.
- (4) the Garner bill.
- (5) the surtax.
- (6) the 44 per cent surtax.
- (7) what Longworth did.
- (8) the 37½ per cent surtax

with subjects 9 to 15 devoted to the inheritance tax by states, and by that time it was 11 o'clock and hardly a drink sold. Yes, it does seem strange but the bar is not doing so well.

The next day was given over in part to a review of the previous day's discussion, but the attendance was smaller and the words fewer—oh, much fewer. A thin, tall man from Syracuse came in rather boastfully it seemed to me, to announce that he has just taken a spin around the deck. I saw him palpably sauntering around twice and then sink softly into the sunniest and nearest steamer chair. If he was spinning then the Washington Monument is a gyroscope. The

short fat grouch from somewhere in Michigan—yes, there are fat grouches in these business times—showed some resentment toward the athletic braggart, gave him a mean glance and waddled out of the room. In fifteen minutes he was back upholstered in the wooliest, baggiest golf suit ever turned out of Saginaw.

Bellows pockets, bellows shoulders, bellows back and a belt that made all of the bellows into one great bellowing mass. A bellows cap with a bellows pocket in it. He sat himself down without a word, letting the effect speak for it-

self. The athlete from Syracuse was plainly overcome, and the others looked at their business suits self consciously.

MR. AND Mrs. J. P. Morgan are on board. It speaks well for the American business man to be able to say that, so far, no one has attempted to scrape up an acquaintance with the financial man; no one has tried to give him the glad hand of fellowship and wish him and his lots of good luck and continued and increasing success and prosperity. No, the whole three hundred and ninety-nine men, women and children apparently understand that the New York banker is on a holiday, that he knows about all of the people he can remember and that he receives an ample stock of kind expressions and felicitations almost every working day. As a result of this really remarkable exhibition of considerateness and good manners on the part of the rest of us, Mr. Morgan is apparently having a very good time sloshing around the ship, just exactly as he were Mr. Abner J. Gadder, with his minimum-fare-all-expenses-included ticket, and that means more than a little to Abner.

Morgan comes near being a giant. He is that rarity, a large man of good conformation, apparently correct proportions. Of course, it may be his tailor, but that is hardly probable, for his head, shoulders, body

and feet all fit each other. And I should judge that he has a pleasant personality; he always seems in good humor. It may be his shipboard manner, but there is about him nothing of the cold austerity, the cautious aloofness one usually associates with big bankers—and little ones.

I know a banker—white vest and everything, in a little cow town in Texas who is a sleet-covered headstone compared with Morgan.

Once during a norther down there a reporter ran into the office, saying, "Banker Otis J. Duff had his face frozen just walking from his bank to the postoffice."

"Nothing to it, son, nothing to it," said the boss. "Ote Duff's face was frozen when he came here thirty-eight years ago from Vermont. I saw him climb out of the stage the day he hit town and it was a very, very hot day in August."

A lot of bankers I know ought to take a long look at J. P. Morgan. He seems to have been quite successful. He usually pounds around the ship after dinner smoking a meerschaum pipe. I think I'll go back to the pipe again. I have an old meerschaum somewhere.

"He may have more money than you, my dear," said one of the bridge players, "but he's not as handsome." She was referring to Morgan and addressing her husband, an expert through personal experience on chronic indigestion, lumbago and insomnia, a leading member of the "Well-the-Doctor-Said" club.

"Oh, I wouldn't say that," was his consciously modest reply. "He's really a very handsome man."

Which he is. His position may have something to do with the impression, but if he were William Henry Jones and had not inherited a dollar the betting is that he would still be a distinguished, outstanding figure in any assemblage. In appearance he is the elder J. P. Morgan over again—almost a replica but one size larger and carrying little surplus weight. He comes from a strain that has given America many of its big men, several crosses of early day clergymen in it. If there are a few preachers in your family tree you and yours are blessed. The privation, discipline and mental training of the old-time clerical households gave us a great line of strong men and women.

The women on board showed great interest in Mrs. Morgan. What I noticed was her simple dress. Also the fact that she wore fewer jewels than anyone on board; the several times I saw her she wore exactly none. In all of the talk about the two most important people aboard I hear only one mention of Morgan's gift recently to New York, the Morgan library and collection with an endowment fund, meaning something like ten million dollars.

SUBJECT for discussion three days later: "And thank Heaven there's no way they can reach me. If they can't run the blamed old ship for a few days without me, now's the time to find it out. I've done my share. Let 'em wreck it—I can live."

Unanimous, but hardly a quorum present. The man who spent an hour telling me what "the doctor said" about his innerds and at

that had only reached the duodenum, was asking four little boys how much longer they intended to monopolize the deck tennis court. He wanted to get in a few more sets before dinner.

"I was just asking your grandchildren," he explained to the authority on his own liver, "if they wouldn't—"

"Hell, they're not my grandchildren," the liver sufferer howled, "they're my children. I wasn't married until I was fifty. I'll try you at this little game myself."

Seven days out the grouches were forcing the children to get up early to have a chance at the deck games. The smoking room saw them only on the nights when there was no deck dancing. Sons, sons-in-law and a sprinkling of somewhat ripe flappers used it in the daylight hours. There are few real flappers aboard.

About a hundred third-class passengers are aboard, most of them Greeks on their way home. The old folks won't know them. They conduct themselves and dress quite like the first-class passengers. Last night two of them were promenading the steerage deck in dinner clothes. Yes, there's an opportunity for someone to suggest that they were waiters in America.



FOUR young men just out of college are aboard, beginning a 10 months' trip around the world. One is of the Mellon family, one a son of Charles Sabin, and all of them are rich—oh, very rich. Also they are quiet and well behaved. They stood about at the deck dances, for an evening or two rather forlornly, and at last, in a formal delegation asked the very kindly purser if he would be good enough to introduce them to some of the young women aboard so that they might dance, always providing he considered the request wholly regular and correct.

Also there is a party of four charming young persons of the finishing school type on the ship. The purser went to their chaperone, gave her the names of Mellon, Sabin and the others and asked if he might present them. She had no objections. The girls—don't miss this—the girls, after a brief conference, thanked the purser, "but please say we have come on this cruise mainly to get away from dancing and social things in general. Awfully sorry." Four very nice and very rich young men. Seems incredible, but it's true.

This morning I saw one of the leading members of the Well-the-Doctor-Said clubs, showing a group of boys how good he was on the parallel bars. He's all in white except a red and black blazer and he really remembers some of his gymnasium work. The boys seem bored; they want to do it themselves. This man had given an hour's detailed account of what the doctors said was the trouble with his heart, particularizing on the faulty operation of a valve. Any exertion or sudden movement might cause him "to pop off like that."

Three thousand dollars is the price of

the best suite for this voyage, New York to Egypt and back to New York. That's for one, the lowest cost is \$800. One of the club is giving himself quite a good time by figuring that his expenses are less than they would be if he were staying at a winter resort hotel.

THE BAR business is a terrible disappointment. Even on the first day out that mad rush of thirsty Americans did not materialize. He is really discouraging. No merry voices telling each other to "drink her down," no elbowing to the front to say, "Now, this one's on me," nobody drunk. So far as I know the head bartender has not even had an opportunity to tell the boys that they had time for just one more drink before closing time; they are all in their rooms long before the fatal hour.

What has come over the American business man? Has he so far forgotten himself that he no longer knows how to sink twenty or thirty drinks a day when good stuff is right there waiting for him? What about all this of going to a place where a man can drink like a gentleman and know what he's drinking?

For some reason they simply do not seem to appreciate their opportunity and as a consequence one is compelled to be an unwilling witness of the sickening sight—a beautiful buffet simply lined with the real old stuff and two or three stewards, ready and willing, all in idle disuse.

How is it to be explained? Can it possibly be that drinking is becoming somewhat, say, disreputable, in America?

There's no beer aboard; no ales, stout or porter. Only wines and the hard stuff. That hurt me. We are to have it at Madeira, but by that time I am afraid I shall have forgotten about it.

It seems that beers and ale may not be carried into New York harbor. You see, the wines and whiskies come under the head of medical stores, but beer and ale are not nearly so medical as whiskey—a court decided that a long time ago. So the unmedical malt liquors stay out while the good old family remedies, Scotch, rye, bourbon, gin, brandy, kummel, and so on, are permitted to pursue their curative ways.

All of which may seem curious, but it is growing of less importance day by day.

SOME 1,500 parcels were delivered to the Lapland just before she sailed, bon voyage gifts to passengers. In one of the reading rooms—it looked like a combination fruit and flower shop—two stewards worked all the



next day assorting and bell boys sped about the ship delivering to state rooms. Some of these baskets of fruit run into money—fifty dollars is not unusual and two or three shops seem to have the call on the business. In the busiest travel season, six trans-Atlantic liners may sail on one Saturday, which means that the steamship fruit basket business is no mean one. The flowers and fruits sent to the *Lapland* would have paid for several passages. Of course, books too, and it was interesting to notice that they were generally confined to five or six best sellers and easy readers.

I WONDER if it isn't about time for an explosion of the great American fallacy of the worthlessness of sons of rich men. The present Morgan's father left quite a comfortable estate and I am told that the father of John D. Rockefeller, Jr., is well fixed. Andrew Mellon's immediate paternal ancestor had a few millions laid away. These sons of rich men apparently have proved more than worth while; in fact, one might safely say they are of credit to their family names. As all of them started with the handi-

cap of great wealth they deserve more than mild approval. I am inclined to think that the sons of rich men will grade something above the average.

AMONG those present is Rear Admiral Niblack, U. S. N., recently retired. After more than forty years of service in the navy one of his first acts is to buy himself a ticket for a nice long ride on a steamship. It's the old story of the hack driver jogging around town on the back of a friend who is working. A New York theater manager had his father, a westerner, come on for a visit and took him to a frolic at the Lambs' Club. At the first intermission the old gentleman said:

"You say these men on the stage and in the audience are all professional actors and theater men?"

"That's right."

"And this is the one day in the week they have off?"

"Right again. Sunday is their only day."

"And they get up shows and rehearse and put them on while the others sit out in the audience?"

"Sure, why not?"

"Now I know they're crazy! Let me out of here. I want no more of them. Suppose the Telegraph Linemen's Union had a holiday; would they all put on their climbers and start to stringing wire all over the country? Would the Sewer Diggers' Benevolent Association at its annual outing load up with picks and shovels and start running ditches all over the picnic grove? Young man, you're in a crazy business with crazy people and you'll come to no good. I'm going home tomorrow."

But sailors when they have shore leave do like rowboats.

I HAVE been reading Dr. Robert McElroy's "Grover Cleveland." He gives Dr. David Starr Jordan as authority for the statement that Grover Cleveland, Theodore Roosevelt, U. S. Grant, Benjamin Harrison, John D. Rockefeller, J. P. Morgan, Robert E. Lee and Jonathan Edwards are lineal descendants of a woman who died in 1131. And then he takes the kick out of it by saying that anyone living today has had 134 million ancestors since the year 1100.

The Business Man that Became a Bishop

By JAMES B. MORROW

THE PEWS are neither shocked nor amused, neither grieved nor puzzled, when James Edward Freeman, the new Bishop of Washington, is in the pulpit.

While shepherds there are, who, over by themselves, in sight and hearing of their flocks, gesticulate and argufy about errancy, inerrancy and so forth, Bishop Freeman is right in among the sheep. They—the sheep—are his prime concernment, made so both by his conscience and his ordination oath.

He agreed, in the sight of God and the world, to do certain things, to teach certain truths. Trained in business (on two great railroads), understanding the inviolability among men of honor of contracts and the sanctity of the pledged word, he is doing those promised things and adhering to those covenanted truths.

That's all there is about it, as pertains to James Edward Freeman, Bishop of Washington and the Protestant Episcopal Church. Nor is it strange, under the conditions here set forth, that his pews are filled. It was so in the east, it was so in the west, and it is so right now, in the capital of the nation.

Why don't men go to church? Bishop Freeman never has had to ask that much-worn question. Not finding himself on Sunday mornings drearily looking into emptiness, save for the presence of a few devoted women, aged men and fidgety children, he has had no occasion to excuse himself, his commonplaceness, his tediousness or his ignorance of life, as lived by the pews, and solemnly—and, perhaps, stupidly—reproach his doctrines. He has not said, doctrines in mind: "I shall modify them, experiment with them," and then gone off into the desert, step by step (cautiously), furlong by furlong (more boldly) and then mile by mile (recklessly) until lost in the wilderness.

Bishop Freeman has studied Ralph Waldo Emerson—but more of that later on—and, no doubt, remembers this quotation: "That a man," wrote the Sage of Concord in his *Heroes and Hero Worship*, "parade his doubts and get to imagine that debating and logic is the triumph and true work of what intellect he has: alas, this is as if you should

overturn the tree, and instead of green boughs, leaves and fruits, show us ugly taloned roots turned-up into the air, and no growth, only death and misery going on!"

My dialogue with Bishop Freeman took place in his beautiful and handsomely furnished library, on the walls of which are autographed photographs of Warren Harding, Woodrow Wilson, Chief Justice Taft, General Pershing and other famous Americans. On the shelves are scores of volumes concerning capital and labor, the classics, such as Adam Smith's, as well as the outpourings of minor philosophers, sound and unsound, since the day of the great Kirkcaldy economist. A man of the world (answering letters as soon as received and keeping appointments to the minute) and a man of the spirit, was the testimony of the library and its well-ordered contents.

Railroad Man and Scholar

THERE, breathing the air of culture, I couldn't help but think of scholarship, a word now much dwelt on by certain groups of ecclesiastics: two Isaiahs, Adam's daughter-in-law, Jonah's sensational submarine and anatomical adventure, the five loaves and two fishes and so on—such scholarship as I heard years ago in a drowsy mid-western village, as expounded on all occasions by an insurance agent of farmers' houses and barns, by an unhappy grocer, whose "sugar" on itemized bills was turned into "shuger," and by a trader of spavined and wind-broken horses. I was thinking of the two groups of scholars, the similarity of their arguments and energy and their delight in words, when Bishop Freeman entered the room.

Well, now, he is a man, physically. Five feet and ten, I'd guess, measuring much more around the shoulders than the girth, which is respectably, even elegantly, flat. Not lean and undernourished, is the Bishop, not obese and overnourished—simply level up and down, with slender legs and straight ones, at that, and tapering hands that look as if

they had never done a lick of work. Perhaps the hands should be larger, firmer and stronger. Beautiful hands are often dangerous. Vain men are likely to want to show them and to think very little of anything else. Consider the time and genius that have been wasted on curly hair, side-whiskers and full-beards.

But the Bishop is not a vain man. Furthermore, he is too busy, virile and wise to be weak, too enthusiastic over his work to give undue thought to himself. And his chin—blunt as a block of granite—a driving chin that in no time at all, comparatively, has brought, right here, in Washington, to the cathedral building fund new subscriptions totaling \$1,100,000. Nine million more is to be collected, elsewhere than in Washington, and the Bishop will get it. Big-chinned and big-nosed men, backed up by steam and brains, can get almost anything.

The brown eyes of the Bishop looked at me curiously as he shook my hand. He had caught me smiling, neatly and comfortably to myself, over the two schools of theologians, provincial and metropolitan, and their correspondence in purpose and research. I told him of the grocer, the horse dealer and the agent and their exegetical exercises over and behind counters, in barnyards and on street corners.

"Ah, yes," he said. But he did not smile. I fancy that he thought it to be a grave matter. He looked out into the bare gray trees of St. Albans, which surround the Bishop's mansion, and, after a moment, said:

"A clergyman should be a diagnostician. He should not bring into the public matters which ought to be settled in theological schools. No physician drags into the room of a typhoid or any other kind of a patient the machinery of a medical and surgical laboratory. He leaves that behind, where it belongs, and is supposed to know how to read the case and deal with the case; and it does harm to wrangle with the patient and disturb his confidence."

The Bishop might have said, in dismissing fundamentalists and modernists from his talk with me, quoting Paul to the Thessalonians: "We beseech you, brethren, that ye study

to be quiet and to do your own business."

There are those who believe that the will of the Almighty has shaped the life of James Edward Freeman. The belief is not without the support of contributory facts and the merit of reasonableness. No doubt it is entertained by the Bishop himself. He often speaks of "the mosaic of my human experiences," of his contacts with all manner of men in the church and, more to the point, out of it. His is a life of preparation, it would seem, for the collection of ten million dollars with which to rear on the wooded hill, called St. Albans, a splendid temple, to be a fountain of inspiration for the public. "And I will raise me up," First Samuel, second chapter and thirty-fifth verse, "a faithful priest . . . and I will build him a sure house."

Now God, in the view of many persons, living at the time, makes at the start, palpable mistakes in choosing agents for particular work. There is no use to mention names; but Abraham Lincoln comes spontaneously into one's mind. And here and now we have James Edward Freeman who, not even for an hour, ever studied theology in a school or seminary.

Preachers are chosen to be professors of theology. They teach their students how to preach thus: What, on this beautiful Sunday morning do we see in the text? Three things: First (for twenty minutes or more), so and so. Second (for another twenty minutes or less), so and so. And, in conclusion and thirdly, friends (for ten minutes, perhaps), so and so. In the meantime some of the brethren have gone to sleep. Why don't more men go to church? Can the root of the evil, so-called, be found in the theological seminaries? That's a live subject worth looking into; even by the modernists themselves.

Well, anyway, James Edward Freeman, without a restrictive formula, began to preach. Henry Codman Potter, Bishop of New York, had taken him under his wing. About the best thing that Bishop Potter ever said to young Freeman, promotive of finish and precision, was this:

"You have a dangerous gift; I mean your fluency of speech. You can use it for well-being or the injury of the world. I advise you, therefore, to write all of your sermons during the first three years of your ministry."

"Did you follow Bishop Potter's advice?" I asked Bishop Freeman.

"Yes," he replied, "but I was greatly restrained."

If there had been no Potter in the bishopric, there would have been no Freeman in the priesthood. The relation of patron and pro-

tege makes a story that ought to be told over and over again—of a life unshaped but suddenly set apart in mystery and romance and turned to the service of mankind and the glory of heaven.

It is possible that, had James Edward Freeman been born with an unprepossessing face and a piping voice, he never would have received or heard a summons to the pulpit. Thomas Jefferson's thin, unpleasing voice



James E. Freeman
Bishop of Washington

caused him to turn away from oratory in disappointment to find self-expression in writing. He became the author of the American Revolution, as Washington became its soldier and Robert Morris its financier. It was young Freeman's voice and his use of it, in and out of the church, that brought him to the alert and enterprising notice of Henry Codman Potter. He was called to the Bishop's office.

"What," the Bishop asked, "is your aim in life?"

"I am a railroad man," James Edward Freeman replied, somewhat puzzled at the Bishop's question, but more puzzled that he should have been sent for.

At the time, bear in mind, James Edward Freeman was twenty-four years old and but recently married. He had left the public schools of New York, in which city he was born on July 24, 1866, and gone to work as a clerk in the legal department of the Long

Island Railroad, only to change later and enter the employment of the New York Central and Hudson River Railroad as an accountant and to win one promotion after another. He felt, therefore, like a settled man. Moreover, he told Bishop Potter, he was not prepared educationally to study for the ministry.

"I think you will make a mistake if you decide to remain in the railroad business," Bishop Potter said. "As to your classical and theological training for the ministry, I'll take you in hand myself."

Young Freeman, however, was unconvinced. He left the Bishop and returned to the work of his desk. Eight months later he called on the Bishop again. "I am here to say," he told the Bishop, "that I desire to accept your kind suggestion made to me some time ago."

"I thought you would," the Bishop quietly replied.

Why did Bishop Potter think so? Let every reader of these lines, fatalist or believer in the guardianship of the Almighty, answer the question by the light of his philosophy or in the sincerity of his faith. But apart from the speculative and supernatural phases of the matter, it is well to have it understood that Henry Codman Potter was a practical as well as a spiritual thinker and leader. He said, for instance, that every clergyman should spend at least five years in business—should know the daily pitfalls and tribulations of human nature in its relations and situations before he undertook to guide, admonish and instruct it.

During two generations, at least, there were a considerable number of energetic and sagacious Potters who were successful men of affairs. Four of them, and perhaps more, were clergymen. Alonzo Potter, father of

Henry Codman, built thirty-five churches in Philadelphia during the twenty years of his episcopate and so well worked out were all of his plans that men of wealth were glad to give him their help and money. He is said to have had a genius for management.

Horatio Potter, uncle of Henry Codman, who succeeded him as bishop of New York, was another wise and tactful man of business. Henry Codman Potter told his protegee, James Edward Freeman, that his father, estimating his talents, or regretting his lack of them, put him to work as a clerk in a wholesale grocery store of Philadelphia. But the young man took the course at a theological seminary in Virginia and became a priest in the Episcopal Church. He always believed that his experiences, as a clerk in Philadelphia were invaluable to him in his preparation for the pulpit and for his labors, pastoral and directorial, as a clergyman and bishop.

Any judgment of Bishop Freeman, there-

fore, should take into account the Potter traditions and influence. He, also, has originated and managed social, beneficent and religious enterprises, in the east and in the west, and financed beautiful church buildings.

So, having said: "I desire to accept your kind suggestion," and Bishop Potter having quietly replied: "I thought you would," young James Edward Freeman, continuing his employment as a railroad accountant, took up his study of literature—of the world's ancient and modern classics.

The mosaic of his experiences, as he terms the human relationships and associations which have given color and form to his life, already was unique, taking into view his age and the profession he had entered upon. While a boy, suffering from the after-effects of diphtheria and other juvenile diseases, he lived for two years on a farm in Illinois, and there on black acres, received first-hand knowledge of corn fields, hay fields and wheat fields, and how they are plowed, planted and harvested—knowledge that he likes to talk about to this day and that has helped him to understand the lives of a great multitude of his countrymen. No orator, no writer, living or dead, ever knew too much—that was true.

Furthermore, he had worked among men in railroad offices for fifteen years—young men, middle-aged men and old men, with natures of their own, characters of their own, habits of their own, opinions of their own. He had learned sound business practice and punctuality in the performance of his tasks and the value of time. Meanwhile he had made the acquaintance and won the respect of the officers to whom he was subordinated. Likewise he had been a member of a political committee and had made stump speeches for Benjamin Harrison and Levi P. Morton during the national campaign of 1888.

Such, then, was the handsome and youthful assistant at St. John's in Yonkers. He was ordained a priest in 1895—taking vows that he has remembered and kept through all the days since. From St. John's he went, as rector, to St. Andrew's, also at Yonkers, where he remained for sixteen years.

St. Andrew's flourished under his hand—in membership and the value of its property. With money given him by a manufacturer of carpets—\$275,000—he built a club house for working men. He acted as an umpire in disputes between capital and labor and made friends of such Americans as Theodore Roosevelt, police commissioner of New York, John Mitchell, head of the coal miners' union, and Jacob Riis, social worker and

author of several books on social subjects.

Then came a call from St. Mark's Church in Minneapolis. James Edward Freeman was forty-three years of age. "You'll not be happy," J. Pierpont Morgan told him, "in a town of 300,000 inhabitants. New York is where you belong. You'll stay, I predict, no more than six months in Minneapolis." Instead, he remained for eleven years.

In the great Northwest, among robust and driving Americans, Bishop Freeman seemed to

bishop, became his intimate friend. He joined organizations of business men, the Board of Trade, the Traffic Club, and so on, and when he left Minnesota to come to Washington the legislature of the state took a recess so that he might address the members and give them a parting word.

When he was the dashing district attorney of the city of New York, William Travers Jerome asked the Rev. Dr. Freeman if a man could be religious and yet stay away from church. "Yes," Dr. Freeman answered, "but a religious man goes to church; he knows that the church is injured if he doesn't." This lawyerlike answer left Mr. Jerome exactly on the spot from which he started; but there were few preachers of any denomination secular enough or shrewd enough to have made it.

There was no humanly discernible reason why Dr. Freeman should leave the finest Episcopal church in the northwest, and Minneapolis, astir with life and energy, and come to the lethargic Church of the Epiphany in the leisurely and unimaginative city of Washington. Western Texas had elected him a bishop, but he declined the office. The episcopacy of Washington was not then vacant; nor was Epiphany the big church of the diocese. But he came and ere long new chimes in the steeple of Epiphany rang out a new life and a new joy and the pews were more than filled, with men as well as women.

At once Dr. Freeman interested himself in the civic movements of Washington. He addressed in a single twelvemonth forty banquets and meetings of citizens and business men. He had preached and worked in Washington for two years and six months when the bishop of the diocese died. Dr. Freeman was chosen to be his successor, receiving, it should be noted, in a large field of competitors, the votes of nearly all of the lay delegates.

"He is a man of business," the lay delegates argued. They were, on the whole, men of business themselves. The new Bishop of Washington, within a short time after his election, obtained local subscriptions for the building fund of the cathedral of St. Peter and Paul totaling

\$1,100,000, which is the largest sum ever obtained by any man or group of men for any purpose in the District of Columbia.

An achieving personality, a brilliant personality—yes. But: "It is well said, in every sense," quoting the author whom Bishop Potter had young James Edward Freeman study first of all, "that a man's religion is the chief fact with regard to him."

A Two Minute Sermon to Business

By James E. Freeman, Bishop of Washington

DONALD HANKEY said in one of his striking and suggestive war books, "Religion is betting one's life there is a God." It was his observation that behind all the seeming indifference of men as he saw them in the trenches, there resided a deep religious conviction. He was always looking for the better side and the finer qualities, and he found them.

Just now we are in particular need of a new appraisal of human values. From the close of the war down to the present hour we have been experiencing a pessimistic and hypercritical mood. Suspicion and hate have taken the place of discriminating judgment and broad charity. While we have boasted of our reverence for Christ we have failed to recognize the great impulses that dominated His ministry and teachings.

If one were to believe all that he reads in the daily press, he would reach the conclusion that the motto for this age is, "there is none that doeth good, no, not one." Let us be reminded that distrust and suspicion are the precursors of panics and wars. What we need above everything else today is more sound, sane religion—the religion of the Man of Nazareth, whose attitude towards mistaken and sinning men and women won their affection and confidence and restored them to ways of normal, wholesome living.

We have tried all kinds of methods to reform human society and to correct human ills. The principal course we have followed during these recent years has been that of legal enactments. We have been trying to make men good by passing laws and finely phrased resolutions. We thought a federal amendment would make all men temperate if not wholly abstainers. Doubtless the amendment, like other laws that are designed for the betterment of human conditions, has accomplished great good.

The large question is, can we reform human society through legal processes? Will a corporation be good and finely conscientious in all its dealings simply because a law is designed to make it so? In other words, can we regenerate human society by applying remedies that are designed for "External Use Only?"

Christ rendered men wholesome, as we say, reformed them, by showing them the better way. He dealt with sin as a basic thing. He undertook to change man's point of view or his philosophy of life. Every other method that we have attempted in the way of reform is largely a failure.

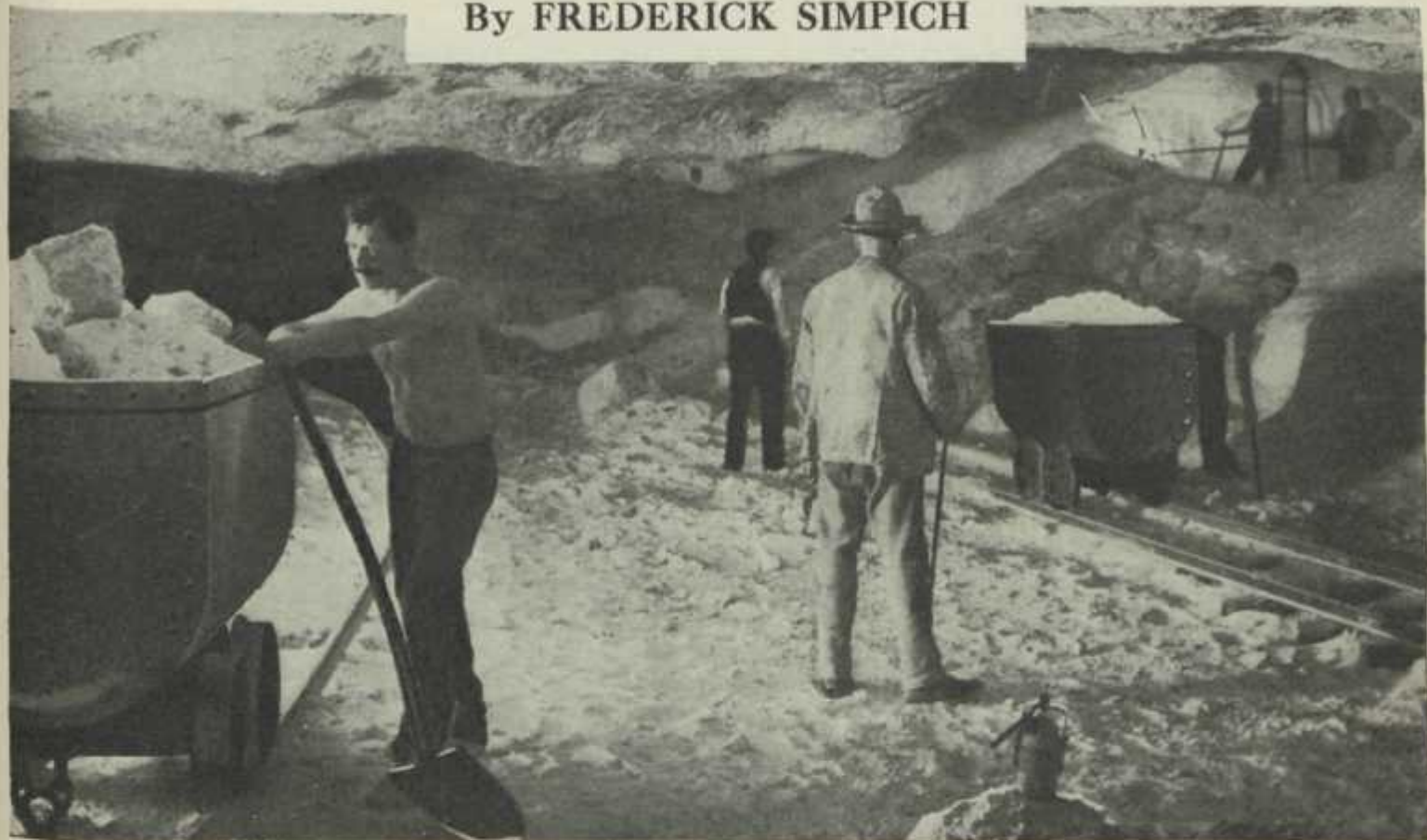
Obviously we need laws, but not too many of them; what we supremely need is more religion and religion of the right sort. Stephenson, who fell under the spell of Christ's life and became one of His ardent disciples, once said: "I believe in an ultimate decency of things, and if I awoke in hell I should still believe it."

Business big and little, men great and small, need above everything else today that kind of religion that renders clean and wholesome the inside, and issues in fine and decent living on the outside.

find his natural element. Once again a man of wealth, under the inspiration of the old rector of St. Andrew's and the rector of St. Mark's, paid for a building in which to house a workingmen's club. The road to heaven, Bishop Freeman thinks, is a broad highway and not a narrow path. He is glad to travel with anyone whom he overtakes or who overtakes him. John Ireland, the Catholic arch-

Buying Trust vs. Selling Trust

By FREDERICK SIMPICH



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Half a Mile Under the Earth In a German Potash Mine

YOU CAN'T take a dose of quinine nowadays, unless the Dutch are willing. Even then, you pay any price they ask. If it's rubber heels you want, an auto tire, or a nice little rubber dog to help baby cut his teeth, you pay your tribute to a British planter away over in Malay Land. Even should the price of raw rubber wobble a bit, this wary planter simply cuts our import allowance—and holds it down till we pay his price.

All over the world-map, Secretary Hoover warns us, these raw-material trusts are entrenched. Recently, so recently in fact that the mere sight of binder twine still makes our farmers shudder, we paid four times the right price to get Mexican sisal—to make twine. All because a trust born in the Henequin fields of Yucatan.

It's so with tin, tan-bark and iodine; with nitrates, potash and mercury—even with coffee. The more complex our world-system of production and distribution becomes, the harder trading nations try to dodge or doctor up the natural law of supply and demand. Many of these raw materials, imported in vast bulk and now become necessities in our daily life, are actually under control and their prices to us arbitrarily fixed by foreign trusts, said Mr. Hoover in a recent letter to Senator Capper—a battler against these combines.

"From bitter experience with the Yucatan sisal trust," Senator Capper told me, "the farmers of Kansas and every other wheat state are alive to the necessity of dealing adequately with this situation. While sisal is probably of first importance to farmers, the foreign trust-control of rubber, nitrates and other needed crude materials is also of vital concern. For a year or more, aided

by the Department of Commerce and other agencies, I have studied this problem. Finally, on March 15, I introduced a bill (S. 2843), 'to enable persons in the United States to engage in cooperative purchasing, for importation of raw commodities produced principally in foreign countries.'"

In plain words, the Capper bill would permit us to form buying-trusts—and do giant battle with these selling trusts over the seas.

Secretary Hoover Discovers

FOR MANY months past, using funds given him by Congress for that purpose, Mr. Hoover and his field agents abroad have been quietly investigating this question of foreign trust-control of imported materials essential to our industry. Not all reports are in, says Mr. Hoover, but abundant facts are already at hand to prove that overseas monopolies or combinations are actually or potentially in control of prices and distribution of the following commodities:

Sisal for binding twine, controlled through a combination of producers reinforced by legislative action of the Yucatan Government.

Nitrates and iodine controlled through a British selling agency and reinforced by export duties in Chile.

Potash, controlled by combinations of German producers.

Crude rubber and gutta percha, controlled by partly legislative and partly voluntary combination of producers in the British and Dutch colonies.

Quinine, controlled by a combination of Dutch producers.

Tin, controlled by a combination of British producers.

Mercury, controlled by a selling agency of Spanish and Italian mines.

Coffee, controlled by the Government of Brazil. Quebracho (for tanning), controlled by combination of producers and foreign manufacturers.

These crude imports cost us, it is estimated, more than \$1,341,000,000 in 1923. This was much more than we would have paid, had there been no trust control.

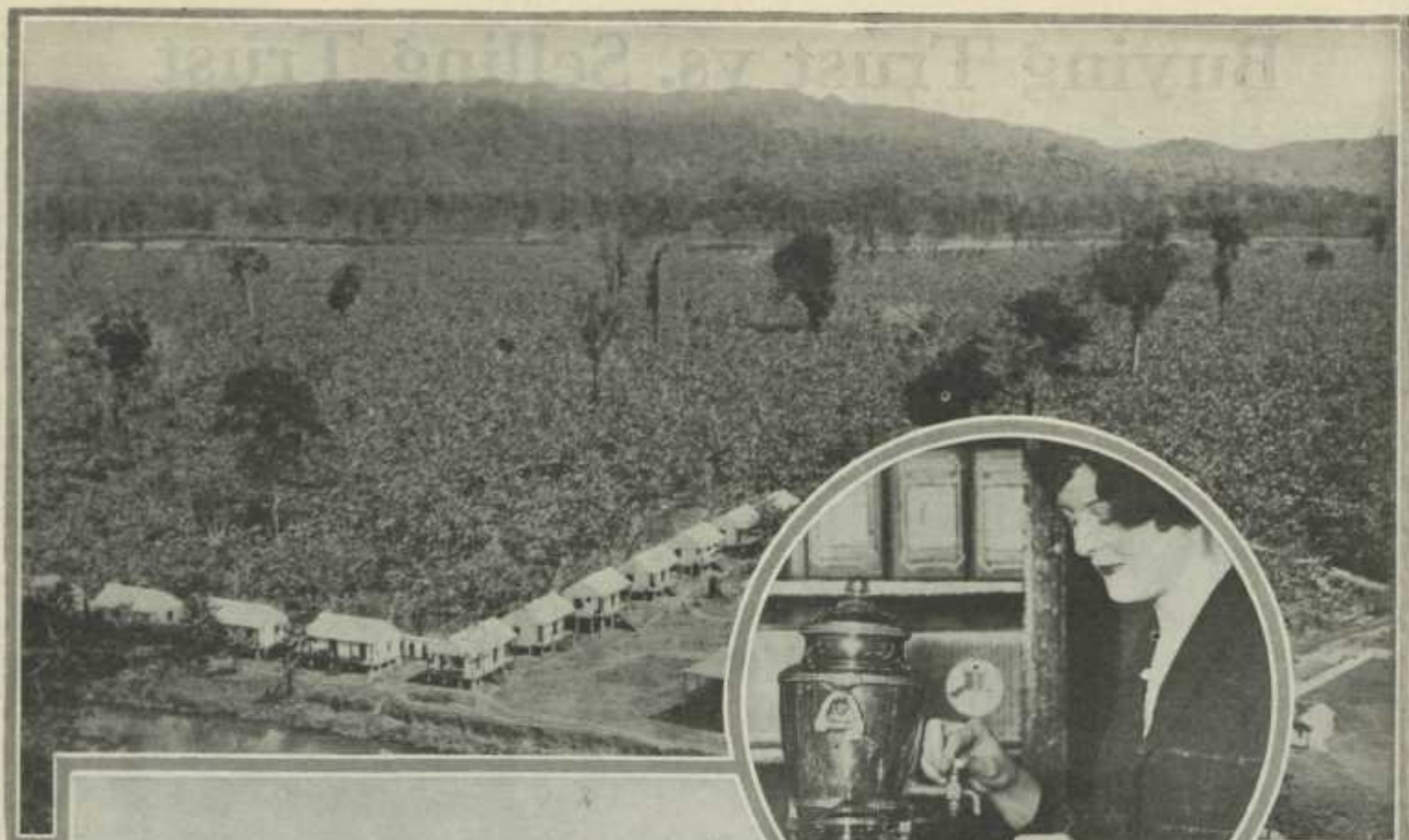
In this world-wide survey of the sources of raw materials needed by us, and the question of their control by foreign trusts, a study is also being made of possible new fields of supply—either at home, in our own colonies, or in countries closer to our borders. In his letter to Senator Capper, Mr. Hoover said:

Indirect security can be obtained in some instances by the stimulation of production in other parts of the world free from these controls, and in other cases by the encouragement of synthetic manufacture in our own borders. Yet these measures at best require much time before they could afford protection. They will not apply in all cases. We shall be able at a later date to offer some recommendations.

It is our conclusion that some relief can be reached legislatively. Our exporters and manufacturers are permitted by the Webb-Pomerene Act to undertake joint selling agencies abroad. If by an extension of this Act our consumers were allowed to set up common purchasing agencies for these imported raw materials where there is positive combination in control, I am confident that our people could hold their own, in their dealings with such combinations.

I am confident that a unity of buyers is in the long run stronger than any combination of producers, because the producer usually has the disadvantage of being compelled to maintain continuous production; whereas, the consumer can so organize his business, if necessary, as to become an intermittent purchaser.

It is my belief that joint action of our consumers, dealing single-handed with such combi-



Underwood
& Underwood

COFFEE—we are a coffee drinking nation, almost twelve pounds a year for each of us, including the baby, and what Brazil does to the price means a lot to us.



SISAL hits the American farmer and ultimately the American breakfast table, for it furnishes most of the binder twine which our reapers require.

Courtesy of the Pan American Union



Courtesy of the Pan American Union



© Underwood & Underwood

RUBBER heels and tires and overshoes and telephones and fountain pens and hot water bags—go on indefinitely—we cannot do anything without rubber and all of it we import and pay for.



© Underwood & Underwood



NITRATES, from Chile provide essentials of explosives and of fertilizers on which many farms depend. The American farmer's troubles don't begin and end at home.

Courtesy of the Pan American Union

nations, could in general cases at least greatly moderate the present cost of these supplies. We seek nothing further than protection against wrongful treatment and our consumers are fully alive to the necessity for proper profits to foreign producers and thus the assurance of full supplies.

Should this proposed law save us from nothing more than a repetition of the sisal hold-up of 1916-1920, it would still be enormously beneficial. In that period, official reports show (Bulletin No. 200, Dept. of Commerce), that our farmers were mulcted of more than \$100,000,000 by the "Comission Exploradora de Yucatan," as the sisal trust is called.

The sad part of this scandal was that the poor peon of Yucatan, whose patient toil grew the enormous war-time crops, remains as hard up and helpless as ever, despite the fact that sisal prices went from 6½ cents a pound c. i. f. New York to as high as 23 cents, during our 1917 wheat harvest.

How We Pay for Sisal

IN ALL the annals of our import trade there has been no more painful lesson of the costliness of foreign control of a raw material necessary to us. Because the Capper bill aims to frustrate just such piratical attacks, it is interesting to see exactly how our sisal imports were controlled—and to bear in mind that the same thing may happen again, unless we build up and keep a fighting machine in reserve.

To begin with, Yucatan grows 75 per cent of the world's sisal, most of which we buy to make our binder-twine. In 1915 the State of Yucatan passed a law authorizing its then radically socialistic governor to create a commission, the so-called "Reguladora." By decree, this "Reguladora" was given the sole right to purchase all sisal grown and to market it through an agency organized in New York, and known as the Pan American Commission Corporation.

In consequence, prices here went from 6½ cents to 14 cents a pound, in 1916. Public indignation at this moved the Senate to make an inquiry. This inquiry lasted three months, and covered 2,000 pages with written evidence—but prices stayed up. Then, in January, 1917, the Department of Justice filed a complaint against the Commission Corporation—but nine months later this case was dropped.

Then the U. S. Food Administration took a hand. To get sisal for less than 23 cents—for our 1918 harvest—it battled the Yucatan trust for five months. Meantime, also, it waged a country-wide campaign to "save string," and to start the use of other fibers in twine making. In the end, it compromised with the sisal trust, and paid 19¼ cents. But its campaign for economy had actually cut our consumption of sisal and consequently, early in 1920, the "Reguladora" found itself with a surplus of 540,000 bales. Bankruptcy of the "Reguladora" ensued, and the sisal price collapsed to 2½ cents!

Now Yucatan has formed a new "Reguladora" and a new agency in the States, the Sisal Sales Corporation, is set up in Delaware. Prices under the new regime have ranged from 6 to 6½ cents and, according to official reports, it is running its business more sanely than its predecessor.

Against the sisal trust, as such, our Government of course cannot and does not raise any objection. On this point the Department of Commerce, in its Bulletin No. 200, says:

A great deal may be said of the importance to the Mexican producer of stabilizing the price of sisal. When prices fall he tends to stop strip-

ping the henequin plants, and they are permitted to bloom and die. When prices advance to a high point, cultivation is over-stimulated, excessive production is brought about, and collapse of price is inevitable. Neither of these results is beneficial to the American consumer, who is chiefly the farmer, and he must look with sympathy upon plans which are intended to bring about a fair return to the Mexican farmer and to maintain an even and progressive flow of production to meet American demand.

Treat 'em rough and tell 'em nothing was for years the motto of the German potash trust or *Kali-syndikat*. It owns more than 200 mines, and is somewhat under government control. Before the war, practically the whole world depended on Germany for potash. The ramifications of this trust covered the earth—and still do to a great extent. Even after the armistice, it sold potash only to whom it pleased—and at prices ranging all the way from a few dollars a ton for *kainite* in Poland and about \$50 in Holland, as against about \$125 a ton to American buyers. In fact, so gross was this price discrimination that importers here appealed to Uncle Sam. Protests went to Berlin. When the smoke of diplomatic battle cleared away, the *Kali-syndikat*—which has a branch office in New York and is to that extent subject to our laws—made free additional deliveries of potash to Americans who had paid the unfairly high price, to the value of \$2,500,000.

In losing Alsace-Lorraine to the French, Germany lost some of her best potash mines, and therefore no longer has a world monopoly. Already, however, negotiations looking to price-fixing have been started between Berlin and Paris and it is inevitable that selling agreements will be reached, if they do not in secret already exist.

To a large extent, our farmers pay the upkeep of Chile's government. It has levied tribute on us to the tune of hundreds of millions, in past decades, by export duty on nitrates—of which Chile has a world monopoly. The trust there is called the Nitrate Producers' Association. Part of its directors are named by the President of Chile. It regulates supply and fixes prices. To big or little buyers, the price is the same—the highest the traffic will bear. It is not against the trust *per se* that outside consumers cry out, but against the extortionate export duty charged. However, Chile has the monopoly, and this high duty is her cold-blooded policy. We must pay, that's all. We shall continue to pay until we find some other source of fixed nitrogen.

The Rubber Toll

ANOTHER conspicuous example of foreign monopoly control of a raw material we badly need is that of crude rubber. Since 1910, world production rose from about 70,000 to about 400,000 tons. Our imports in that period went from 45,000 to 301,000 tons. Today we use about 75 per cent of all rubber grown in the world.

Now, 70 per cent of all rubber is grown in British territory. It comes from British Malaya, Ceylon—a little from North Borneo, Sarawak, India and Burmah—and amounted last year to 272,000 tons, as against 101,000 tons from the Dutch East Indies, the only other important producer.

To control output and prices the British Government—on November 1, 1922—put in force the so-called Stevenson Act, effective in all Far Eastern British colonies that grow rubber. This British plan restricting our crude rubber supply caused Congress to start the Department of Commerce on its present world-survey of production, marketing and

control of rubber and other raw materials—with a view to making us less dependent on today's sources.

Here is how the British rubber control works: Taking output figures for some years previous to 1922, they arrived at what they termed "Standard Production." Then, to begin with, they arbitrarily cut production to 60 per cent of this standard; there, it was ordained, production should stand, provided the rubber price did not fall to less than a shilling a pound. Had the price dropped below a shilling, production was to have been cut to 55 per cent of "Standard," or even less, depending on price. On the other hand, had the price gone up to 1s. 3d.—and remained there for three consecutive months—production and export allowances up to 65 per cent of "Standard" would have been permitted. The first effect of this measure was to force the price up by about 50 per cent. Later, and till now, the price has been stabilized at between a shilling and a shilling three pence.

Competitive Buying Costly

TO DATE, the output of crude rubber—even under this restrictive plan—supplies our demands. But the present low price is not conducive to new planting; and, as it takes a tree about six years to yield, and as our needs will inevitably largely increase in the near future, it seems likely we shall eventually be forced to pay a much higher price.

To control the 101,000 tons from the Dutch East Indies, Holland was invited—by the British—and it is said she is now again being urged—to adopt similar restrictive measures. Holland declined, however, on the ground that such a plan interfered with supply and demand, and because she has encouraged so many native subjects to plant rubber that strict control might not be feasible. But about one-third of the Dutch East Indian plantations are owned by British, who have voluntarily adopted the restrictive measures of the Stevenson Act.

The new Capper bill, while it would authorize buying-trusts to cooperate and avoid competitive bidding for needed raw materials from abroad, would also prevent such trusts from becoming monopolistic in effect within the States, or from discriminating against small non-member consumers here. It further provides that if the buying trust's supply of imports is not enough to meet the needs of all its members, then each shall receive a pro rata share—based on the normal needs of each.

Nor are any profits to accrue to the buying trust. It is to be run only for the purpose of buying, importing and distributing raw materials—at the same price at which it is bought abroad—plus only actual expenses incurred in handling the imports.

To the Federal Trade Commission would be given the supervision of any buying-trusts set up under this law. Part of this commission's duty would then be to see that no such trust acted in restraint of trade here at home, or discriminated against any domestic competitor who might use "for manufacture, improvement or consumption, and not merely for resale, any such imported raw commodities."

A sporting proposition this, to fight one giant trust against another—a dramatic anticlimax in the great drama of international trade. A far cry from the simple barter of old; from Adam and Eve in the Garden, with all raw materials in easy reach. But Adam wanted no rubber beels, you object; nor did Eve insist on imported monkey fur, or toy rubber dogs for Cain and Abel.



© Lewis Hine

Typical Italian at Ellis Island. There are 500,000 Italian natives of voting age in the United States.



Last year more than 6,000 Slovaks entered American ports. In 1905 more than 50,000 came to us.



A Lithuanian arrival. He and his fellows from the Baltic Region usually enter the steel mills.

I Am an Immigrant

I AM AN immigrant and I live in an Ohio manufacturing town of some 25,000. Of these more than 750, according to our newspaper, signed the following petition addressed to our representative in Congress:

"The purpose of this petition is to ask you to use your influence against the letting down of the immigration bars in order that the scum of Europe and other countries might not come unobstructed into our great United States, the land of the free and the home of the brave."

I am, as I have said, a newcomer—perhaps I was one of the "scum of Europe," although I am now a full-fledged American citizen, passing as such in speech, appearance, thought and ideals.

In fact, I have become Americanized to such an extent that nothing is more difficult than to be forced to converse in my native tongue. In my effort to learn the English language well, I have forgotten my own, greatly to my regret. Nevertheless, I was an immigrant, and the above petition produced a certain reaction which I am quite undecided to define as resentment, pity, or what not.

It is not the first time. Just now the magazines and newspapers are full of the immigration problem. The Klan is making an issue of it. It makes good car and club conversation.

But all the authors whose dissertations and outbursts have come to my attention are considering the issue from their own point of view only; and their proposals for a remedy and solution of the problem, which is a very real one, are as much at variance as the kaleidoscopic Ellis Island mixture about which they write.

Many remedies have already been offered,

CRISTENSEN is not the real name of the author of this article, but he asks us not to use his name. He came from Europe some ten years ago, started as a farm laborer at \$25 a month.

Now he is an American citizen, with an American wife and two children, owning a home and a car, and is sales manager of a mid-west corporation. He seems to us entitled to speak.

By O. F. CRISTENSEN

but I should like to record a few thoughts and observations from the other point of view, tempered and qualified by residence of some length in the United States.

I am a business man, connected with an industry which at present is suffering from the evils of a greatly over-extended productive capacity, the aftermath of the war boom. If the industry operates at 100 per cent capacity, the market is glutted with goods it cannot absorb; and every reader of this magazine knows what happens. I use this illustration because I think an indiscriminate dumping of goods on an already saturated market is quite similar in its effect to the indiscriminate dumping of an unlimited number of human varieties into our sizzling melting pot.

Limits Should Be Set

IN OTHER words, I am for limited, or rather for regulated, immigration, for a quota, and in this respect quite agree with the spirit of the petition circulated by my fellow-townsmen. The bars should not be let down, because present conditions in Europe would immediately cause the greatest exodus of people known in history, with consequences difficult to contemplate. There must be some sort of a limit, and this limit can best be expressed in a quota, which might be made

subject to revision once a year, because most of the immigrants are of the laboring class, and industry cannot absorb a large influx of new labor during a period of depression.

I have read time and again that the quota from a certain European country having been filled, the number

in excess of the quota were deported. I know of nothing more cruel. I am not a Catholic, but I think a deported immigrant must feel somewhat like a poor soul condemned to a certain number of years in purgatory, who, after completing his sentence, is turned back by St. Peter at the entrance to heaven because the quota is filled. To be in sight of the promised land and then sent back—what a pitiful experience.

Isn't there some method by which this can be avoided? If a passport from an American consul is necessary, could not the consular service be organized so that the number of passports from a certain country would correspond to the quota from that country? This, it seems to me, would automatically do away with excess quotas.

I have thought a good deal about an intelligence test, which has often been proposed as a means of determining whether or not an immigrant is fit to enter the United States. In my mind the advisability of using such a test depends entirely on the profession or calling of the one seeking admission. An illiterate laborer may make a more useful citizen than a radical intellectual.

Furthermore, it is difficult to get a standard of intelligence and even more difficult to measure people by it, especially when there are thousands to be examined. Here again, the consul, who grants the passports, could do much toward eliminating undesirables, be-

cause he is more familiar with the language of the immigrant; and in case of doubt, he usually has access to reliable information on which to base his decision whether or not the applicant is fit to become a law-abiding American citizen.

"The scum of Europe!" This reminds me of a poem I read some time ago, the words of which I have forgotten, but the spirit of which has stayed with me. The poet took exception to the nicknames which Americans often use when speaking of foreigners; and even when speaking to them; such as, chink for Chinaman, greaser for Mexican, wop for Italian, etc. Now "the scum of Europe."

Whenever you use these words, you are hurting someone's feelings, even though it may not be apparent. Why speak so disparagingly of the stranger within your gates?

All Come Willing to Learn

AS A RULE he is not the scum of Europe, but rather someone with a little more initiative than the average. That is why so many immigrants have made and are making progress against heavy odds and under all sorts of handicaps. Some of Europe's riff-raff and cast-offs may smuggle in; and if laws can be made to keep them out, make such laws.

Please remember, however, that the great average of immigrants do not come from the "scum." Think of them as human beings, perhaps not on the same plane of civilization, culture and education as the average American, but willing to learn.

Some of our immigrant authors have told of the sparks that first kindled their desire to come to the United States in glowing words of romance; they are the exceptions. The average man in Europe does not ride his pegasus to the steamer that carries him across the ocean. It is usually a quite prosaic journey, and the incidents leading up to the decision are usually quite prosaic.

I think 90 per cent or more of the immigrants coming to our shores are moved solely by a belief and hope in larger earnings and better living conditions. They think of America as a promised land in the material sense, flowing with milk and honey—and dollars. Of every ten people who migrate, probably one returns to his childhood home for a visit, and he usually speaks of America in glowing terms. Naturally, because if he did not, he would admit being a failure.

I very distinctly remember a young man who made his first visit to our little village within six years after he left it, and told us how he was rapidly making a fortune, buying and selling Iowa farms. Afterward I, myself, stranded in Iowa, took occasion to look him up, and found him working as a hired man.

Illusions? Yes. I think almost every immigrant sees his castle of dreams shattered into many fragments by the grim and stern reali-

ties of the rushing grind of his daily task, and only a very few ever succeed in joining the fragments together again into a concrete example of achievement. The great mass lives and dies without recognition, without a definite aim, without seeing the beauty of our "rocks and rills," our "woods and templed hills," or the beauty of American ideals.

They only exist, and are no better off—perhaps worse—than they were in their old homes. Unable to speak our language, to understand our laws, or to appreciate what American citizenship stands for, they fall a ready prey to unscrupulous agitators and union organizers.

Are they to blame? Before passing judgment on the foreigner, try to put yourself in his place. Remember that New York City is as much of a puzzle to him as a village in Russia would be to you. Everything is strange. He cannot understand the language, he cannot read the newspapers except those printed in his own language, and he is immediately sought out by parasitical scoundrels who make a living by taking advantage of his ignorance.

He is bewildered, almost helpless, until he finds his own kind, usually in a certain section of the city or country where his particular nationality has a settlement. Every large city has these settlements; and you will find them scattered throughout the country too, some of which have every aspect of a bit of Europe transplanted into American soil.

The next problem is to find work. Again the foreigner goes with his own crowd into mines, quarries, steel works, etc. His immediate superior may be a foreman puffed

little help and encouragement. The so-called process of Americanization is too often superficial, with an eye on naturalization papers for voting purposes rather than the making of a real American citizen.

I wonder how many American business men have ever attended a session in a naturalization court, in the larger cities especially, where from fifty to one hundred men are examined during a three or four-hour period and turned loose into our American public life with the same rights and the same voice in city, state and federal government as the most intelligent American.

If you have never witnessed this performance, take a half-day off when the court is in session. It will be an interesting experience for you, and it may be an eye-opener. Some of the new citizens wouldn't be fit to vote for a street sweeper if submitted to a real intelligence test.

Undesirables Use Their Votes

IS IT any wonder that the undesirable forces in our political life are wielding such power? They have it, because they play up to the ignorant foreign element, and have 100 per cent representation at the polls, while the real representative American citizenship stays at home, or is too busy to vote.

I heard a powerful sermon a few weeks ago, based on a text in the Old Testament—a story of a certain king, who was given charge of a man, with the penalty of death if he let this man escape. The man escaped, and when the king was asked about it, he gave as his excuse: "While I was busy here and there, behold he was gone."

While you are busy here and there, the stranger within your gates is becoming a bigger problem every day. I really think he is a much bigger problem after he gets here than before he comes; that is, it is equally as important—if not more important—to make good citizens out of the aliens we have with us now, as it is to define who may enter.

And if I may give an opinion on Americanization, we must consider the motive that was uppermost in the mind of every immigrant when he took the step that brought him here—his material welfare and betterment. There was little thought of ideals.

A foreigner is never truly assimilated into our American life until he lives as an American. So long as he retains his national habits, his national mode of living and his old

way of thinking, in fact, so long as he feels that he is still a part of some European country, he is a foreigner, regardless of his citizenship papers. And if it is the will of the American public to admit several million strangers each year, ways and means must be found to make true Americans out of them; else the foreigner with his large family may eventually become a menace to the principles on which the American idea of government is built.



Swearing in thirty-one new citizens in Brooklyn. There are over 7,000,000 aliens in this country that remain unnaturalized.

up by a little authority and taking a particular delight in showing it off to the new arrival. It makes me shudder to think of the language that is sometimes used and hurled at these "greenhorns," the abuse they have to take, and the demoralizing effect of this treatment on many.

Comparatively few rise above these circumstances, into which they are forced through no fault of their own, because they have

When a Whole Industry Advertises

By RUEL McDANIEL

THE SUBJECT was purposely postponed until the last day of the convention, because those in command were sure that it would cause a considerable uproar. And it did.

A new member from a distant county arose and, in a doubting tone, asked: "Do you mean I say that the money I give you is goin' t' be used to advertise everybody else's stores same as mine, and even if they all don't pay?"

The chairman of the Committee on Cooperative Advertising arose and explained, but the answer was in effect this: the money would be used to advertise the industry in general, and every one engaged in that particular business, in reality, would be benefited by it; even the man who did not contribute one penny to the fund would enjoy the goodwill and prestige that would be built up by the cooperative advertising.

The Other Fellow's Burden

"BOUT as I thought!" said the cynical member. "It means that part of the money I give will go to payin' for advertisin' the store of a man right across the street from me. You c'n count me out!"

Evidently there were many others attending the convention who remembered that they, too, had competitors across the street and the plan fell down.

This illustration may seem overdrawn somewhat, but many business men still look upon cooperative advertising in the light of the new member of that association. But that idea is rapidly giving way to a broader one, and cooperation in advertising in every direction is rapidly gaining ground.

Here is the state of mind of one group, the Copper & Brass Research Association, as voiced by its manager, William A. Willis:

If our association operated on the idea that it must only benefit its member companies who contribute to its support, we would never have got anywhere.

Far from pursuing such a policy, we are anxious that all in our industry, whether they are with us or not, shall benefit in the fullest measure by the research and educational work which the association does. We even go further than this, because we are constantly doing research work of a special character for non-members, in addition to which we supply literature and give other assistance to these companies. In a number of instances concerns which were not with us from the start but which came to appreciate the assistance they were getting at the expense of their competitors, suddenly realized the utterly false position in which they were standing and joined this association. There are many cases, however, where this has not been done, but it makes not the slightest difference to us.

As an instance of how outside interests have benefited by the educational publicity of this association, I would call attention to the fact that approximately 700,000,000 pounds of cheaply produced, foreign copper were brought into this country last year and sold in competition with the very expensively produced American copper. This foreign copper could not possibly have been disposed of in the United States but for the work of this association in popularizing the metal and building up public confidence in its everlasting qualities. The owners of this copper contributed not one cent to the work of this association.

Various plans for advertising and marketing on a concerted basis have been worked out

during the past few years; some have made signal successes, while others were doomed to failure from the start. The latter is true especially among the smaller farm cooperatives, because there was a lack of coordination, interest and confidence. There are the cooperatives that do nothing but sell; some both sell and buy; others go a step further and combine their advertising and selling efforts under one head, while still others are combining on concerted advertising for the good of the industry in general and letting the individual member take care of his own selling. It is of the latter plan that this article deals.

There are but few industries that cannot be benefited by cooperative advertising such as is now being carried on by the paint and varnish manufacturers, the florists, the jewelers, Portland cement manufacturers and others as successful. In order for us to see these opportunities, however, it is necessary that we remove our smoked glasses, take our eyes off the ground directly under our feet, and look far ahead of us through well-cleaned field glasses. It requires a broad vision to appreciate the value of cooperative publicity and to realize its scope.

By cooperative advertising the American Walnut Manufacturers' Association practically developed an entirely new market within a period of three years. Before the war 90 per cent of their business was export. During the war the entire product was used for gun stocks and aeroplane propellers. The end of the war found the export business dead, and advertising was used to develop a domestic market.

How It Pays

THE VOLUME of business is now larger than ever before, but 90 per cent of it goes into American cabinet work. One-half of the industry has paid the bill for the work that saved the industry, but the other half shares equally in the results. In every industry there will always be some who through shortsightedness or selfishness prosper at the expense of others.

Selfishness—or should we call it nearsightedness?—has prevented a number of prospective advertising plans from materializing. And, in reality, the desire for more business is the ultimate object of advertising in any form, and more business means personal gain. However, the desire for personal gain is not necessarily selfishness. If it is, then the resources of the nation and of the world are built on the desire to serve self.

The man who appreciates the value of cooperative advertising as it is being done by our industries today must see far beyond self; he sees an opportunity of aiding his fellows in his own industry, and he has a vision of genuine service. Is not the appeal of the paint and varnish people to "save the surface," and thereby cut down the cost of building and repairs, a service to mankind? If it has been found that sauerkraut contains valuable food properties not generally found elsewhere, are not the packers of sauerkraut performing a service to you and your neighbor by telling you about it?

Before a man can put his heart into cooperative advertising he must realize that a competitor is not an enemy, after all, but an

ally, and that by helping him the man likewise helps himself. Getting new business is not a matter of inducing the customers of a competitor to come to you for products similar to what they were getting at the other place; extra business should be created from without, and that is the purpose of concerted publicity. If the California fruit growers had not realized this, we would doubtless still be eating oranges only on holidays.

In order to build more business for an industry the public must be educated to call for and consume the products of that industry. No one manufacturer can afford, or should afford, to undertake such a task. He may be able to do something, but it would take him years and cost him a fortune to accomplish the same work that cooperative advertising can perform in less time and at slight cost to the individual.

In order that we may better appreciate the value and purposes of this class of advertising, let us take a few concrete examples of what is being done in this direction.

The "Save the Surface Campaign" of the paint and varnish people has been referred to already. It is one of the outstanding successes to the credit of cooperative advertising, and the plan on which it is being carried out is worth studying.

It was nearly five years ago that the manufacturers of paints and varnishes got together for the purpose of increasing their business. Cooperative advertising was decided upon, and an appropriation of approximately \$100,000 was set aside for the first campaign. In 1922 the group spent \$200,000 in the same way, besides inducing retail paint dealers, painters and jobbers to boost the sale of paints as they never did before, with an additional investment of over \$100,000 by local paint interests in cooperative newspaper advertising. Due to the industrial slump in 1921, paint and varnish sales dropped below those in 1920, but "save the surface" advertising is credited with having held sales to a higher level than that reached by any branch of the construction industry.

In order to bring the industry back to its 1920 volume and to give a practical demonstration of the value of cooperative effort, "Save the Surface Campaign" in the fall of 1921 launched the objective "make 1922 the greatest paint and varnish year and double the industry by 1926." The result—1922 was 37 per cent greater than 1921 and 16 per cent greater than 1920. 1923 showed 19 per cent increase over 1922, or 63.6 increase over 1921. If the paint and varnish industry can secure an increase in 1924 of but 22¼ over the business done in 1923, it will have doubled the volume of business in three years' time.

Shares Based on Sales

ABOUT 75 per cent of the advertising fund is spent on national magazine advertising, because there is a universal demand for the products that are being pushed. The balance of the appropriation is used in trade promotion and other activities intended to maintain enthusiasm.

The fund for advertising is raised in this manner: The manufacturer is asked to invest one-eighth of one per cent of his annual sales in the United States (for firms that are not willing to give actual figures on sales, a classification basis is offered, which yields approximately the same results); jobbers and wholesalers are asked to invest 40 cents per \$1,000

(1-25 of 1 per cent) of their total sales of paints and varnishes or products used therewith; brush, can, spray machine and color manufacturers, 12½ cents per \$100 gross sales; naval stores, producers and linseed oil crushers, 50 cents per \$1,000 gross sales (1-20 of 1 per cent); dealers are asked to contribute \$5 for each \$2,500 worth of paint and varnish products sold, and master painters and salesmen are called upon for \$1 as a membership fee. No investment contracts are accepted from either manufacturers or jobbers on less than a five-year period. Funds from retailers or painters are returned to the local "Save the Surface Committee" in case of a local sales drive during the calendar year.

Summarizing briefly, the "Save the Surface Campaign" seems to have not only accomplished wonders for the industry, but it has performed a real service to the country. It has influenced greater public interest in "cleaned-up—painted-up" towns and cities; it has developed local cooperation among dealers, master painters and other trade factors in many localities; it has shown the retailer how to be a better business man and has helped the painting contractor to be a better business getter; it has educated the public to a true appreciation of the protective value of paint and varnish and has taken these products out of the luxury class and made them everyday necessities.

The American Face Brick Association, which has been carrying on a campaign of cooperative advertising for several years, can show some very definite figures as to the increase in the use of that material for building. More was sold in 1921 by 11 per cent than in 1920; in 1922 the jump from 1921 was something like 62 per cent; and the association officials say that when the Census Bureau Face Brick statistics are out, they will show at least a gain of not less than 15 per cent over 1922.

Now let us go into the workings of the campaign conducted by what is truly a pioneer in cooperative advertising, the Portland Cement Association. As for educational accomplishment and increase in business, it is hard to find an equal to this organization anywhere in the world. In a comparatively short span of years this industry has jumped from nothing to one of the largest in the United States.

In 1873, when a man who is no more than middle-age now was a boy, the total output of Portland cement was 9,000 barrels. Last year the national production amounted to 137,377,000, and the output for 1924 is expected to show an additional increase.

The Growing Use of Cement

THE INDUSTRY has jumped from the little one-man plant class, virtually unknown outside of its immediate circle, to a giant that not only employs thousands of men in its own factories but consumes products from entirely different lines to the extent of employing almost a million men.

Last year the manufacture of Portland cement consumed 4,700,000 barrels of fuel oil, 4,000,000,000 cubic feet of gas, and 10,500,000 tons of coal for fuel alone. Other phases of manufacture required some 38,000,000 pounds of lubricants, 16,000,000 pounds of explosives, 2,000,000 feet of belting, 16,000,000 pounds of paper. At least 30,000,000 pounds of cotton would be necessary to replace the cloth sacks that were lost to the trade last year and some 55,000 miles of wire were used for the single purpose of tying the bags necessary for shipment. To go with cement in making concrete, construction demanded 40,000,000 cubic yards of sand, 80,000,000 cubic yards of gravel and 3,500,000,000 board feet of lumber. Twenty years ago

cement was almost unheard of except in a few specialized lines; today farmers are buying it to build pig troughs.

That cooperative advertising is largely responsible for the phenomenal rise of this industry there is no question. The Portland Cement Association was organized in 1902, and one of the chief purposes of the organization was to advertise its product. That year the sales amounted to 17,230,000 barrels. The fact that this association came together, searched out new uses for its product and then told the public about these uses through timely publicity is the chief reason that this industry is not still wandering along in comparative oblivion.

Take the Southern Pine Association, a sectional organization with headquarters in New Orleans.

Contrary to the opinion of many, the Southern Pine Association, like the paint and varnish organization and the cement association, is not a selling organization. Its sole object is to stimulate the use of southern pine lumber, and the organization is fostered by the manufacturers of pine lumber throughout the south on a pro rata cost basis, depending on the output of the individual mills.

A large portion of the appropriation is spent on national magazine advertising, and much of the remainder of it goes to getting out and distributing building books and in putting on building exhibits. One of its building booklets called "Modern Homes" was aimed at the man who wanted his own place. The cost of 200,000 of these books was about \$40,000, and to date almost 40,000 homes have been erected from the specifications given in the book, and the supply of books has not been exhausted yet.

Lumber Campaign Successful

THROUGH the various fairs and building expositions held throughout the country last year the Southern Pine Association exhibited its products to more than 1,500,000 people, who were either directly or indirectly interested in building materials. Through the distribution of books and by other advertising means, the organization has elicited inquiries from practically all over the civilized world.

In the lumber industry there is a double campaign. Not only does the Southern Pine Association, whose work I have described, carry on its special campaign of education as to the Southern Cypress Manufacturers, the California Redwood Association and a dozen others, but the industry as a whole, through the National Lumber Manufacturers Association, is preaching the gospel of wood and its uses. So that the public is learning first when and where to use wood, and second, what kind of wood to use.

The advertising of the organizations which we have described is what we would call educational in scope. Its purpose is to familiarize the public with the products and to teach people intelligently and profitably to use these products. To this group we could add dozens of others that have succeeded in their purpose, but perhaps not on such an elaborate scale.

Among these we should not overlook the National Kraut Packers' Association, of Clyde, Ohio. They organized only in 1922, after finding a great overproduction on their hands with no visible outlet. They got busy and told the public through national mediums that sauerkraut was healthful, why it was healthful, and other qualities about it heretofore unknown except by the manufacturer and his immediate associates; and the result was that the output was profitably marketed. The money for the campaign last year was raised by an assessment of so much per unit of

kraut packed. This year, in order to learn at a much earlier date the total sum that will be available for advertising, the members were assessed so much per ton of cabbage cut into kraut.

Other organizations that have accomplished much in an educational way through cooperative advertising are the Associated Knit Underwear Manufacturers of America, who have discovered at least 27 good reasons for wearing knit underwear, and they are telling the public about them; the gum lumber manufacturers, lighting fixture dealers of Philadelphia, spice makers, banks in a number of cities, the leather glove manufacturers, the American Zinc Institute, The Copper and Brass Research Association, the National Jewelers' Publicity Association, the florists, the knitted outerwear makers, the Plate Glass Manufacturers of America, the Greeting Card Association, the Davenport Bed Makers of America, Spanish Green Olive Growers, National Coffee Publicity Committee, the Home Furnishing Styles Association of America, homestead associations, community business men and publishers. There are others that have accomplished results, and this list merely goes to show to what varied uses this sort of advertising is put.

In addition to the copy that is run for educational purposes, there is another class of industries that has a still harder task to perform: that of overcoming a deep-rooted popular prejudice. In this group we may mention the ice manufacturers, who are investing in a national campaign, and many of them are going in on local drives. They are determined to overcome the short-weight idea that is so generally connected with the ice-man and are building good-will by teaching people how to use ice.

There are but few things more despised than the monthly gas bills. Children have been brought up to believe that gas companies were necessary evils. The gas people realize this, and they are conducting an advertising campaign with the hope of driving out this prejudice with good-will copy.

Most people think—or thought—that mahogany was a very expensive wood. Not so, declare the mahogany manufacturers, and they are telling the public why it is not true through national advertising. During the war, when leather went sky-high and shoes twenty dollars a pair, it seemed that everybody accused the leather tanners of a frame-up; even the shoe trade had suspicions in that direction. But the tanners declare that they are innocent, and they are proving it through cooperative advertising.

Selling Salt Fish

PEOPLE have been known to turn up their noses at the mention of salt fish. Furthermore, for years and years the salt fish catchers and canners of Gloucester have been fighting each other, jealous, envious of every move for the better that any one of them made. Not long ago they found themselves. Now they are telling Mrs. Housewife all over the country that she has positively nothing to turn up her nose about when Gloucester fish heave in sight; and evidently their statements are believed, for the fish industry in that quaint old town is on a better foundation now than it ever was before.

There, you have examples of successful cooperative advertising in every line from jewelry and flowers to salt fish and cow-hides. If your business can render a public service it can be successfully advertised in cooperation with the other members of your industry. And a business that does not render a public service has no business being a business!

The Fun I've Had in Business

THE CHILEANS are the "Yankees of South America." I first became familiar with them as laborers on the line of the Lima & Arroya Railroad, which was being built for the Peruvian Government under a contract with Henry Meiggs, by William H. Cilley, an American of ability and indomitable pluck. Cilley had 15,000 laborers, the majority of them Chileans. I asked him how he maintained law and order so far removed from police protection, and he replied that the secret lay in being fearless and in administering justice honorably so that the laborers would have confidence in their chief ("patron"). Cilley had a disease common in that district, known as verugas; and when he rode, blood would press out from his legs where they came in contact with the saddle. When I hear of men of blood and iron, I think of Cilley.

On landing at Valparaiso, I took the train for the capital, Santiago, and there I found intellectual vigor as remarkable as the physical vigor that I had found in the Chilean laborers building the Lima & Arroya R. R. When I remarked on the number of fine equipages that were to be seen in Santiago, I was told that in proportion to the population there were more there than in any other city in the world.

What the Cable Meant

IT WAS not until many years after this visit that Chile came into cable communication with the rest of the world. In 1891 an American company, in which we were shareholders, completed a cable to Chile down the west coast of South America. I have never been more vividly impressed with the annihilation of distance by the cable than I was at the time of the Mont revolution against the Balmaceda government. The battle of Placilla, near Valparaiso, was decisive. A cable from Valparaiso brought to New York news of the defeat of the Balmacedistas, which I immediately transmitted to the Chilean Minister Lascano at Washington. His Excellency replied: "The news is absolutely false. I have a cable from Balmaceda dated ten hours later than the one you quote from Valparaiso."

The fact was that owing to the war the

No. 3—Trying to Form a Nitrate Trust

By CHARLES R. FLINT

Author of "Memories of an Active Life," "Shoes and Ships and Sealing Wax"

telegraph between Valparaiso and the capital took twenty-four hours, while from Valparaiso to New York it took twenty minutes. The following day the news of Balmaceda's defeat reached the capital, was cabled via the Argentine to Washington, and I received a wire from Lascano which read, "All is lost save honor!"

Balmaceda had appointed me Consul General of Chile to the United States. Fortunately, I had not received my exequatur from our Department of State, so that instead of the Mont government having the satisfaction of retiring me from that office, I wrote the new government as soon as I received the cable from Valparaiso of Balmaceda's defeat, that, as I was acting as Consul General of Costa Rica, I could not serve as Consul General of Chile!

During the past forty-five years about the most important industry in Chile has been the production and sale of nitrate of soda. In the seventies the production of nitrate was principally in Peruvian territory, although much of the business in nitrate had been carried on by the Chileans. Finally certain capitalists of Peru, influential with the Government conceived the idea that if the Peruvian Government put a heavy export duty on nitrate, the owners of nitrate *oficinas* would find it to their interest to sell their properties to a corporation known as (by its English name) The Nitrate Company of Peru.

Planning a Monopoly

IT WAS the idea of the organizers of this company permanently to monopolize the nitrate industry of the world, and for a time they were practically successful in so doing, as the only low-priced nitrate of soda was produced on the west coast of South America. My firm were the agents of this monopoly in the United States, and we secured the European agency for Baring Brothers. The result of this organization was detrimental to the nitrate producers and merchants of Chile, a fact which led up to a war of conquest, by which Chile annexed all of the Peruvian nitrate territory.

That war took me into what was, perhaps, an absolutely unique avenue of business: the supplying of munitions to belligerents—which I will describe later.

In Chile I met the famous Colonel North, who became known as the Nitrate King and cut a wide *nouveau riche* swath in London. He was a Yorkshireman who had gone to the west coast as a shiphand. Then he got into stevedore work. He made and saved money. He bought ships, and in the course of years

managed not only to control much nitrate shipping out of Peru and Chile, but also succeeded in securing important interests in the nitrate fields.

At Pisagua I was entertained by him; and later, when he was rolling in luxury, he described the house where he entertained me as a "shanty." He had one horse, and I hired another, and we visited the nitrate *oficinas* back of the port.

In traveling in Peru I found great pleasure in Prescott's "Conquest of Peru." At a point near Trujillo I visited a Temple to the Sun and there spent hours reading of the religious rites and ceremonies of the Incas. As it never rains and there is no frost in Peru, the remains of the Incas were quite intact. As we climbed the Andes on the Lima-Arroya and other railroads, we saw the remains of terraces cut in the mountain sides by the Incas, on which they had grown fruit and vegetables in such a manner that the products of every zone were represented in an ascending line, all the plants being furnished with water by the melting snows from the mountain summits.

Being intensely interested in the history of the Incas, I thought I would dig one of them up, which I did at Pisagua. There, too, I found evidences of the Incas' superiority over the nomad tribes of North America in the way of industrial production.

On board the steamer going from Pisagua to the next nitrate port to the south (Iquique) I learned that anyone possessing the remains of an Inca was subject to arrest. Some people on board who knew of my relic apparently had more pleasure in anticipating the trouble I would get into than in making a suggestion for relief. I took one of the rowboats that came alongside the steamer, and my baggage was placed in it, as well as the head of the Inca. It was a long row to the shore; and when, on the way, I observed an American vessel, I boarded her and, finding that she was bound for New York, succeeded with no difficulty in having the Inca's head put in with the nitrate cargo. So in due course I received my trophy in New York. At Iquique they must have wondered what had become of it.

Resuscitating the Goose

YEARS later I, myself, nearly became a factor in the nitrate world. After the war between Chile and Peru, when the nitrate trade was at the height of its prosperity, the various producers shortsightedly thought the best way to develop their fields and their pocketbooks was to keep their prices high and hold a tight rein on the world's supply of nitrate; whenever the price showed signs of dropping, they restricted production. But this Chilean combination, like so many other combinations, saw only the advantages of a monopoly. The members believed that a monopoly

We visited the nitrate *oficinas* back of the port



could make money—although no monopoly has ever made an amount comparable to what might have been made under other conditions. Without realizing it, they gave their major attention to killing the goose. The Chilean monopoly turned men's eyes exploratively to other possible sources of nitrate supply, with the result that the possibilities of atmospheric nitrate production were developed.

These price agreements were about to expire when the President of Chile told Ulysses D. Eddy, an old-time South American merchant and formerly a member of Flint, Eddy, and Co., that he wanted to interest American capital in Chile. Eddy wrote to me in London. I have always been interested in the economics of industrial consolidation as opposed to the waste and restricted profit of price agreement and its interference with the law of supply and demand. I proposed that the Chilean nitrate producers be consolidated so that their production and transportation costs might be materially reduced by cooperation. This idea was entirely agreeable to the President of Chile.

Michael Grace had leased Balintore Castle. He liked my idea, and invited Englishmen who were largely interested in nitrates up for a week's shooting. We were out with the guns and dogs all day and talked nitrates during the evening. I went to Germany and saw Sioman, Folsch, Martin, and Güldermeister,

offices from a hundred others. Twenty minutes of his income would, I imagine, have furnished the whole place.

Very few English offices are luxurious or impressive. The laws and the tenures of the financial district of London are such as to make all new structures all but impossible, and the English business men simply accept the inconveniences of their offices as part of the bother of being in business. In fact, I think that they have a sentimental preference for their awkward arrangements just as the university students prefer the inconveniences of Oxford and Cambridge to any modern improvements.

Lord Rothschild was a rather stout man, very dignified and very deaf. He had a quite ordinary desk with a high back, at which stood a kind of confidential man, who repeated to His Lordship anything he did not exactly understand, and who, I believe, also acted as kind of a memory, although he did not take notes. There was no appearance of formality, but conversation under such circumstances could hardly be called genial. I found that Lord Rothschild was more interested in Chilean government loans than in the nitrate industry. The Chilean government had previously arranged its finances through him, but a little while before they had taken a loan through the Deutsche Bank, and what principally interested Lord Rothschild

in London, and he suggested that I take up the nitrate proposition in detail with his partner, Henry P. Davison. I did so when I returned to New York.

In a little while there came together for the consummation of this business as strong a financial and industrial group as had ever met. Ulysses D. Eddy went back to Chile to make final arrangements. Everything was on its way.

The Chilean government



Flint digs up an Inca at Pisagua

who were the big nitrate men of their country. It had been a little hard to convince the Englishmen of the advantages of a company that would make its money through cutting waste rather than raising prices. Before long, however, they were won over. It took no time at all to convince the Germans; they understood perfectly that interference with the law of supply and demand, or the maintenance of an artificial price, is fatal to trade.

Then I visited Lord Rothschild. All this happened in 1910. I had never before met the head of the English house, but I had no difficulty in making an appointment. He had a small office opening off one of those innumerable courts that are occupied by stock brokers in what is known as the "city" of London. There was nothing to distinguish his

was the possible effect that this proposed consolidation would have on Chilean finances. He was not alert to the benefits of industrial consolidation, although he spoke in high praise of the skill of Americans in such accomplishments.

The Rothschilds have, for the most part, preferred to go it alone. They have large mining and other interests, but their principal business has been with governments.

The proposed consolidation would have involved several hundred million dollars. I got in touch with J. P. Morgan, who arrived

realized the importance of interesting J. P. Morgan & Co., Kuhn, Loeb & Co., the First National Bank, and the National City Bank, in Chile, and showed every evidence that it was eager to do its part.

Then like a thunderbolt came the ultimatum on the Alsop claims, issued to the Chilean Republic by Secretary Knox. There

were a number of claims that had been hanging on for years against Chile. There was no particular reason why they should not have been collected, but also there was no particular reason, so far as I could ever discover, why they should have been made so important a state affair at that particular time. In face of the "Knox Ultimatum," Chile was afraid to have her principal industry and source of income controlled by a corporation organized by the financial and industrial magnates of the United States. And that was the end of the proposed consolidation!

The Chilean nitrate producers remained unconsolidated, and their industry has subsequently suffered from the very conditions which we predicted and which our plan was designed to prevent.

Bunk! a Great American Industry

By C. WELLESLEY TUFTS

AMONG the popular foods of the day are many forms of bunk. Agricultural bunk is the most plentiful. It includes shredded economics, toasted finance, puffed political patter, rolled railroad reform, flaked flapdoodle and cream of piffle.

Any large group of voters constitutes an attractive and often profitable field for the purveyors of political bunk. The farmers of this country comprise such a group, and the politicians work on them in season and out. But the farmers, collectively, also have large business interests, in widely scattered hands, which provides a fair field for the manufacturers, wholesalers, jobbers and retailers of economic bunk. Let's take a look at this latter kind:

I am writing a confession. While I am not a dealer in bunk, I have done my part in the spreading of it. I've concocted countless dishes for the rural and metropolitan press, steaming with the odor of the "great open spaces." I've dished out publicity dope for the agricultural branch of a state university. I've had something to do with the propaganda kitchens of cooperative marketing associations. I've been the "official taster" at a land-grant college. And having moved up from potato peeler to chef, I feel that I know a lot about how farm bunk is prepared and served.

I am sick of my own stuff, and I believe that many others are, too.

I would not disparage the sincerity and integrity of many of those who have attempted the formation of a farmers' organization with a definite, worthy purpose in view, and have failed. I recognize and take off my hat to the leaders of farm associations founded upon sound business principles. But I have seen too many big salaries paid to two-bit workers; I have watched too many farmers' dollars go into the pockets of promoters of unsound and mismanaged organizations not to be apprehensive of every movement to organize the farmer first, and then hunt a way to serve him.

Many a press table provided as a necessary adjunct to the starting of a farm organization movement has been graced by my presence. With other agricultural writers I have sat around for days at a stretch while some marketing or other movement was being shaped up and launched. After a few experiences we learned to anticipate the various important moves before they were made. I do not know whether farm organization promoters all learn from the same fount of knowledge, but it is certain that most of them have the same formula.

The foundation is invariably laid by establishing the fact—in the minds of those in attendance—that the condition of the farmers is so bad that not one of them, through his individual initiative and effort, can escape the sheriff or the poorhouse. This condition is shown to be due to the pernicious activities of the middleman and other parasites and offenders. Everybody else is in a combine against the farmer, whose only salvation lies in joining the particular organization then in process of formation.

With that foundation laid, work on the superstructure proceeds rapidly. First comes the payment of fees by those present. Then the permanent organization is effected by the

WELLESLEY TUFTS isn't the author's name for reasons that are plain. But all that he says of himself is true. He's dealt in farm bunk, and he can take the stand and qualify as an expert.

We tried his article on two or three men who know farm bunk when they hear it, and they agreed that it was right and sound sense.

More than that, "Wellesley Tufts" dips but a small bucketful from the ocean of farm bunk. So we'll have another from a man equally well able to speak on legislative bunk for the farmer.

election of officers and the formation of the standing committees. The platform is drawn and the purposes outlined. Offices are rented. The first receipts are devoted to organization work and the payment of salaries and overhead. Likewise, most of the subsequent receipts. In this connection, it might be well to note right here that, according to the estimate of a competent official of one of the oldest and most successful farm organizations, more than twenty-five million dollars in membership fees has been collected from the farmers of the United States during the past ten years, most of which has been expended in the process of its collection—for "organization expenses" and overhead.

Hot Shots for Good Reading

WE WHO sit at the reporters' table play up all the high lights as they appear during the process of organizing. If any delegate present takes a particularly hot shot at the octopus—just any octopus—we feature it. That makes good reading. If some other delegate, remembering the burned fingers of former years, gets cold feet and tries to put on the brakes, he is properly squelched, while our pencils remain in the air. We must write the sensational stuff. Our bosses say the farmers want the bunk. The high circulation figures of the principal bunk publications indicate that there is much in this.

Naturally, many types of professional organizers develop, though their methods vary little. Comparatively few of them ever made a success of farming, while a large proportion really know very little about that interesting occupation.

There is, for example, the case of bluff and hearty—particularly bluff—O. R. Slush, fat, pompous, baby-faced, county agricultural agent of X County—one who had lost some prestige with farmers and college extension department alike by reason of wild rumors of graft in connection with the purchase and distribution of binder twine and fertilizer and pure-bred hogs.

Slush, when a certain cooperative movement began to sweep his section, jumped from the springboard of expediency and hit the high tide of the organization with a mighty splash. Indeed, from a salary of only \$4,000 he dropped gracefully down to a paltry \$7,500. He explained his unusual choice by saying that his heart was in the farmers' movement, and that as a matter of whole-souled patriot-

ism he was willing to make a sacrifice. It happened that he had been operating a little farm of his own, and his sense of duty now demanded that he turn this exacting business over to a manager of lesser abilities at great obvious hazard.

Slush whipped the waters with a mighty fin, stirring up the denizens of agriculture to the biting point. Soon he was sent upstream, toward headwaters, to the lure of \$17,000 a year. Then came a droughty year, when many a little rivulet went dry. Slush had to get along on a measly \$12,000. But he was a game fish. He assured the farmer fry that he was "in the fight to the finish." At last reports this particular river bed was getting dry, and Slush was flopping about at a piker's \$5,000. But while there are a few flops left, there is hope.

Then there is the case of Beedy Biddle, the man with the twinkly eyes. Beedy is not properly a grafter. He is merely a versatile idealist who is not averse to accepting noble pay for noble thoughts.

Beedy is an ex-newspaper man, and ex-land-promotor, an ex-county judge, an exacting superintendent of schools, an ex-district agent for a state college extension department. In other words, he was what might properly be called ex-experienced, when he reluctantly accepted twice the salary he had ever drawn to take charge of a membership drive for a hopeful marketing association.

Just recently Beedy became ex-director of organization. He left his division of activities in a rather murky financial condition, having run it a bit into the red and compelled it to accept a reluctant loan of \$100,000 from a somewhat stronger affiliated body. When he recited his annual report at the state convention, he spoke with fervency, twinkled his eyes in the beloved way, and made 'em like it. The speech, irrespective of the financial red that it revealed, won him a better title at a sweeter honorarium.

Another type is Jock Hattigan, who conceived the Never-Say-Die Price Fixers' Association. Jock charted out a pretty little scheme of warehousing and selling. His plan seemed clear, and his purpose definite. If his motive were selfish, it was at least frank and simple. The initial membership fees paid his way at cheap hotels, and left him considerable velvet. He saw more country than in all his life before.

Gathering Them In

JOCK was an inimitable campaigner—the whole show himself. I've seen him rattle down the main street in an unexplored town, announce from his battered bus his speech at the court house, or elsewhere, at such and such a time—then round 'em up like a trained collie herding sheep. At the meeting he would address the overalled crowd in a sun-dried, wind-chafed vernacular that set 'em whooping and stamping. When the speech was over they would troop up and sign, slap down two dollars each and agree to pay eight more in four instalments.

That instalment feature was the ruination of the whole works. Warehouses do not go up in two months. Jock couldn't deliver. There was no "educational" department to

explain why there was no immediate return on the investment. The farmers refused to come through with the deferred payments, and the whole scheme blew up. But Jock was in fresh and distant pastures by that time.

Several years ago I was among those present at a membership campaign meeting of a farmers' organization which was hollering loudly at that time. The speaker, who was introduced as a corn-fed, hog-and-hominy gent, began in a way that, as I have since learned, rarely fails.

"Mister Ch-ay-er-man, fellow farmers," he boomed in an impressive drawl, "last night as I was bedding down my old gray mare, Maria, the thought came to me that—"

Now it doesn't particularly matter what thought came. The fact is that I lived near the rustic orator, in a city of 80,000, and I had never seen this old gray mare, Maria. All I had ever seen this agricultural evangelist put to bed at night had been a seven-passenger automobile, which I understood had been purchased spot cash. Its name was not Maria.

Farmers have been told repeatedly, with much shaking of fists, that they are sufficiently important to employ "the best brains." They have had thrown at them the argument that if the railroads or the steel industry can afford to pay well for the services of their managers, why certainly farming—the greatest business of all—cannot afford to do otherwise.

And the farmers have fallen for this. But they have been too diffident to insist that executives of equal value to those of the industries cited be employed. Instead of going to large produce or warehousing concerns for well-trained men, they for the most part have elected to put their associational affairs under the control of inexperienced, if not selfish and self-seeking, leaders who are unabashed at starting at the top.

This is the worst feature of all—the willingness of farmers to pay huge salaries, fees and commissions to men who are but learning the first rudiments of the

California, owing to the peculiarly advantageous grouping of her highly specialized crops, has developed her cooperative marketing activities to a high state of efficiency. The California associations do one-sixth of all the cooperative buying and selling that is done in the United States.

But California has splendidly competent and experienced men in charge of her producers' associations. Nowhere can a higher standard of salesmanship be found.

Professional windjammers with membership campaigns on their hands never fail to capitalize the success which has been achieved by the farmers' cooperatives of the Sunset State. Invariably they sketch the history of those associations superficially, draw unjustified conclusions, and make sound business institutions stand sponsor for schemes that frequently are pure bunk.

Every farmer knows how western prunes get to market. All farmers are fed up on raisin talk. But what many do not know is

forty-seven sister states by reason of her successes than she could possibly have wrought by a repetition of the failures she previously experienced. False prophets, or misinformed and thoughtless ones, by carrying the message to different soils, have propagated in the cooperative garden many a crop of sterile blooms and noxious weeds.

Ceaseless and measureless is the flow of bunk based upon California's success.

One form of sentimental bunk of farm flavor is summarized in that old pet phrase, "Back to the Farm." Another declares that the farmer must "feed the world," leaving



There's small chance to peddle the "farm bunk" which Mr. Tufts describes to the man who harvests this wheat or handles these 120-egg incubators or raises these beef cattle. With him farming's a business. There are lean years, but there are lean years in every line.



that the California cooperatives were not developed in a month or a year, but are the results of much travail and discouragement. Nor is the farmer outside of California told that the rules for handling

and marketing vary with the product; that citrus fruits, raisins, eggs, wheat, potatoes and cotton do not belong in the same economic basket; that "specialty" farmers operating on adjacent lands have a much simpler problem of group selling and shipping than miscellaneous producers separated by hundreds of miles.

California has unwittingly done more harm to agricultural cooperative movements in her

the impression that this solemn duty devolves upon him, even though his family starves or freezes while he performs it. Still another twists itself around mortgage foreclosures and farming failures, as though these things did not occur in other lines of business. Other species of bunk drape themselves over other phases of farm life.

Sympathize with John Whittle out in the alfalfa field, because his boy is in the wicked city, and chances are he will tell you that his boy is earning enough money as a plasterer to buy his old dad out in six months. But, he will assure you that his son knows cauliflower from cabbage; and instead of buying his dad out in six months, he will purchase a better car and perhaps move to a more comfortable apartment. Yet the editor of *The Town Cackle*, in John Whittle's village, preaches back-to-the-farm with solemn regularity.

The best antidote for this sort of bunk is a study of history and a glance at statistics. America has not starved. She is not even hungry. She is not facing empty granaries. Her difficulty is the other way round. She has produced raw materials out of all proportions to her requirements. Her agricultural equipment has kept pace with the burden of production. Her farm methods and her rural personnel have more than met the existing needs. But her overhead has remained high, her cost of handling has remained expensive, her selling agencies have fallen down on the job. The irrevocable laws of supply and demand have left the price at a point that is profitable for the canny farmer, while of uncertain possibility to those of ordinary skill.

marketing business, notwithstanding the frightful additional drains on the treasury due to the mistakes that these men make; drains that result frequently in bankruptcy.

And we of the press—particularly the rural press—know all this, have seen these things repeatedly, yet we have boosted farm organization movements practically without exception, supplying the publicity so necessary for promoters of this kind to make any progress.

The NATION'S BUSINESS

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MERLE THORPE, Editor

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One Kind Word for Business

SALT bacon, army style, does not suit the popular taste. After private concerns in the business had made a lot of it in war days on contracts with the War Department, acting at each step upon official instructions, they were left with big quantities on hand. The War Department refused to take it under the contracts, as the armistice had intervened, and declined to give compensation.

Such a state of affairs leaves no alternative for a business concern; the bacon was sold for what it would bring and suit was entered for the loss. In this instance, suit was not begun for anything more than out-of-pocket losses. Not to be half-hearted about its side of the case, and in accordance with altogether too many ideals in official circles, the Government set up counter-claims for as much as the claimants asked by way of compensation. To get color for such a proceeding, the Government alleged fraud had made earlier payments too high.

The test case has been decided in the Court of Claims, in favor of the business concern on every point. The court said it could perceive no foundation for charges of fraud, but it found the best sort of justification for the amount the claimant asked. It went on to compliment the business house upon the manner in which it cooperated in support of the war, saying it had acquired "a commendable habit of implicit obedience" to every call made upon it.

How Far Can the Commission Go?

UNLIMITED access to books and papers of a corporation is not a power given by Congress to the Federal Trade Commission, the Supreme Court said in March, in a decision quoted at length elsewhere in this issue. The commission had asserted such a right, to ascertain whether or not acts of unfair competition had been committed.

The mere fact of engaging in interstate commerce and of using the corporate form does not make men's affairs public or cause them to be subject to the rules that may be applied to a public utility, like a railroad, the court reasoned in this connection.

Tobacco companies were accordingly upheld by the court in their refusal to allow the Trade Commission to go through their records and correspondence at will. Grain exporters who had resisted a similar fishing expedition into their correspondence would seem to be upheld in their position by this decision of the court. Perhaps there will be some effect, too, upon the case in which meat packers are resisting a demand from the Secretary of Agriculture, that he be allowed to go through all of their records.

The Supreme Court may not have finished speaking on the general subject of the Trade Commission's powers, either. On almost any Monday it may hand down its decision in the *Claire Furnace* case, in which companies making iron and steel questioned the right of the Trade Commission to make them report to it data on costs and the like. The decision in that case will probably dispose of the corresponding case brought by

coal mines. In these cases, however, the main contention has been, not that the commission was violating the constitutional guarantee for every man against fishing expeditions into his correspondence, but that the making of iron and the mining of coal do not constitute interstate commerce.

If the Supreme Court in its decision in the steel case about the relation of making iron and steel to interstate commerce leaves any ambiguities, it may soon find at hand another case in which to deal further with the matter. Two companies making beet sugar in the West have taken into the courts an order the Trade Commission issued against them, alleging that they had engaged in unfair competition in interstate commerce by seeking to keep other factories from coming into their territory.

The Trade Commission was not unanimous. Three of the members voted for the order and two voted against it. The two dissenting commissioners took the view that all the evidence related to the manufacture of beet sugar and had to do with the factories' efforts to keep competing concerns from entering their territory and diverting a part of the supply of beets on which the existing companies depend.

Sugar beets, it seems, cannot be profitably transported for any considerable distance. Consequently, these two members of the commission said the evidence related only to the stage of obtaining raw material and manufacturing it, and not to the stage of sale of the finished product in interstate commerce.

Another Blow at Kansas Labor Court

THE RIGHT to strike, or to induce strikes, has been before the Supreme Court. The question arose under the Court of Industrial Relations Act of Kansas. Last June the Supreme Court held that this statute was invalid in so far as it tried to impose upon packing houses and their employes a system of compulsory arbitration.

Before this decision was handed down, however, there had been a conviction of a union official for using his influence to induce coal miners to violate the Kansas law by striking. This was prohibited under penalties by a section of the Kansas law.

The Supreme Court on March 10 held that the Kansas law generally is as invalid when applied to coal mines as to packing houses. As for whether or not the provision of law against inducing others to strike was so involved with the rest of the law as to fall with it, however, the Supreme Court preferred not to say. So it sent the case back for the Kansas Supreme Court to consider this phase of the matter. From that court may, consequently, come back to the Supreme Court the question about the validity of a state law punishing people who foment strikes or lockouts.

Meanwhile, the original case in which the Supreme Court passed upon the Kansas law has returned to it, because of controversy whether or not the Kansas court has gone far enough in following the decision of the Supreme Court.

Banks That Were No Banks

RUSSIAN corporations, or at least the branches of pre-revolutionary Russian corporations, find themselves in a serious situation in England. Their predicament illustrates the consequences which may flow from recognition granted by a government to a new government—by some folk considered a harmless variety of diplomatic by-play.

After the British Government had recognized the soviet regime as the government of Russia de facto, a long-established London branch of a pre-war Russian bank entered the British courts to recover some bonds held by another bank, which solemnly asserted that the London branch no longer



You can hardly blame the boy at that

had legal existence. The bank that held the bonds avowed it was in a predicament, being unable to hand perfectly good bonds to a defunct legal person, even though it had all the appearance of being open for business as usual. The British courts agreed with this contention.

The theory of the courts is that, as the British Government has recognized the soviet regime, the British courts have to recognize that the soviet wiped out of existence the parent corporation in Russia. As the parent corporation has been "executed," the reasoning goes, the branches of the parent concern have no existence in this legal world.

This means that, in England, branches of Russian pre-war banks have become illegal companies, that all of their transactions are void at law, that they cannot collect debts due them, and that they cannot enforce any contract other people have made with them, even for good and sufficient consideration in hand. The man without a country was in a happy situation in comparison with the predicament of a London branch of a pre-war Russian company.

Luckily, there are some rules of corporate law in the United States which are not followed in England and they may be sufficient to cause a different result if the same question arises in our courts. We are kinder to corporate orphans.

Mr. Hoover Will Use the Trade Association

TRADE associations, the Secretary of Commerce has announced definitely, are perfectly good as sources of information for him. The Department has in the past received information and statistics from trade associations, using the material in its monthly *Survey of Current Business* and other publications.

The Secretary obviously sees no reason in the correspondence he had with the Attorney General in December for making a change in this sort of thing. In fact, the Secretary says he may request trade associations to supply him with material needed for the department's publications or for any other activity in the discharge of a duty imposed by law upon the Department of Commerce.

Of course, the Secretary of Commerce adds, exactly as his

receipt of information from a trade association in the past implied no declaration on his part respecting the legality of the association's activities, there will in the future be no such implication. This puts things as they should be.

Declaratory Judgments Urged

DECLARATORY judgments, in the opinion of the American Bar Association's Committee on Law Reform, should be rendered by federal courts.

An ordinary judgment, of course, is a determination that, for example, one of the parties to a contract has broken the contract and is to pay so many dollars as damages. Such a judgment closes a legal proceeding which begins after the contract has been broken and actual injury has resulted.

A declaratory judgment, however, results from a legal proceeding which begins before the contract has been broken. It has its origin in a difference between the parties as to their rights under the contract.

If Congress should enact a statute allowing the federal courts to render declaratory judgments, the parties to a contract, who would resort to the federal courts in an action after breach of contract had been committed, could take their differences into the court, and have it decide which is right, with a trial by jury to establish any facts in controversy.

Thus, the judgment entered by the court would be declaratory of the rights in the matter. It would be as binding as any other judgment, and there would be the same rights of appeal as in an ordinary case.

If this legislation were enacted, any person with a mere theory about a legal situation could not get into the courts. There would have to be an actual controversy, and the person going to court would have to show that it concerned his own rights.

Apparently, two men who contemplated entering into a contract could not go to court and obtain a decision whether or not, if they made the contract, they would violate the anti-trust laws, but if, after they had made the contract, one of them wanted to disregard it on the ground that it was unlawful, they could have a definite decision on the point.

The Freight Car Yields to the Truck

By ROBERT C. WRIGHT

General Traffic Manager, Pennsylvania Railroad System

THE MOTOR truck is an economic factor in transportation. No one can question that bald statement, but the task of determining just where its possibilities begin and end is another matter.

So far as the railroads are concerned, this problem is complicated by the fact that the status of the motor vehicle as a common carrier is not yet fixed. It has not assumed fully its common-carrier responsibilities; it is not subject to taxation and regulation commensurate with the privileges it enjoys in the use of the highways.

This feeling finds expression in two proposals now before the membership of the Chamber of Commerce of the United States for referendum. Two of the recommendations of the Special Committee on Transportation are:

That the rates and services of motor common carriers, both freight and passenger, should be subject to regulation by the state and federal commissions which have jurisdiction over the operation of other common carriers having particularly in view insuring to the public adequate, economical and continuous service.

That in addition to bearing an equitable share of the general tax burden, the road users should pay the entire cost of maintenance of highways through special taxes levied against them, such special taxes being applied exclusively to that purpose.

But questions such as are raised by those recommendations are not primarily the railroads' affairs. They belong to the whole public.

The railroads had to decide:

1st, in what manner the motor truck could be taken into partnership; and

2d, how a start could be made.

As a result of this study the Pennsylvania divided the utilization of the motor truck into three general lines; first, its use in connection with short hauls, i. e., traffic; second, the motorization of our terminals; and, third, the door-to-door delivery service. While these three methods all come together in the end, they can be handled entirely separate of each other.

The easiest plan to try, because it required less setting and less expense for the machinery, was the short-haul traffic of less-than-carload freight from large cities to suburban points. These include small lots loaded and unloaded by the carrier and transported by rail for distances up to 25 or 30 miles.

This was a peculiarly unprofitable business to the railroads, partly because about two-thirds of it was already handled by truck and the railroad was required to maintain full service to get what business it could on rainy days or some other day when the

motor truck did not feel like operating for it.

And it was a tangled and expensive business for other reasons. Consider the processes:

Under the ordinary method of handling this traffic it was (1) loaded on the shipper's dory and hauled to the freight station; (2) unloaded at the platform; (3) picked up from the platform and loaded into a freight car; (4) transported, generally to a transfer station, and unloaded on a platform; (5) loaded into a way freight car; (6) unloaded at destination; (7) loaded onto the consignee's dory; and (8) unloaded finally at the door or warehouse of the consignee.

Eight Handlings Cut to Two

IN THIS method I have listed eight handlings of freight. There are sometimes more, sometimes less. But if it were conveyed entirely by motor trucks, loading at the shipper's door and unloading at the consignee's door, there would be but two handlings; and at a time when labor is becoming an increasingly heavy factor in transportation costs, it requires little thought to observe the possible economies in substituting motor trucks for rail transportation for the handling of this short-haul small-lot freight.

There are other advantages in favor of

but comes from or is destined to farther distant points, and there seemed no way open at the present time to avoid the maintenance of service for this traffic.

Moreover, until the public mind is further enlightened, there would be difficulty, and perhaps ill-feeling, engendered if the rail carriers attempted absolutely to close for less-than-carload freight their local stations in the suburban districts.

It is necessary, therefore, to continue the service, but at the same time benefit by any economies through the utilization of motor trucks.

This brought about the experiment which the Pennsylvania Railroad system is now undertaking at numerous points. A notable illustration is on the Main Line from Philadelphia to Downingtown, Pa., a distance of 32 miles, on a four-track railroad.

In this territory a great deal of the small-lot freight had already gone to local motor trucks, and the railroad was still maintaining the same plant for a considerably diminished amount of such business.

In place, therefore, of the way freight train, loading and unloading this less-than-carload freight at each of the twenty-seven stations between the points mentioned, a plan was put into operation of loading less-than-carload freight from the city stations or farther distant points into "destination" cars, after having selected four important points

as the "destination" stations, and distributing and picking up less-than-carload freight to and from the intermediate stations by motor truck operating between these larger stations.

Of course, different stations were selected westbound from those selected eastbound, because on a four-track railroad it is always necessary to have the stations on the side of the railroad served by the track running in the direction of the traffic.

The results of the experiment have been:

1. The elimination of the local way freight train, with a saving of the out-of-pocket cost for its own operation, as well as its interference with other rail

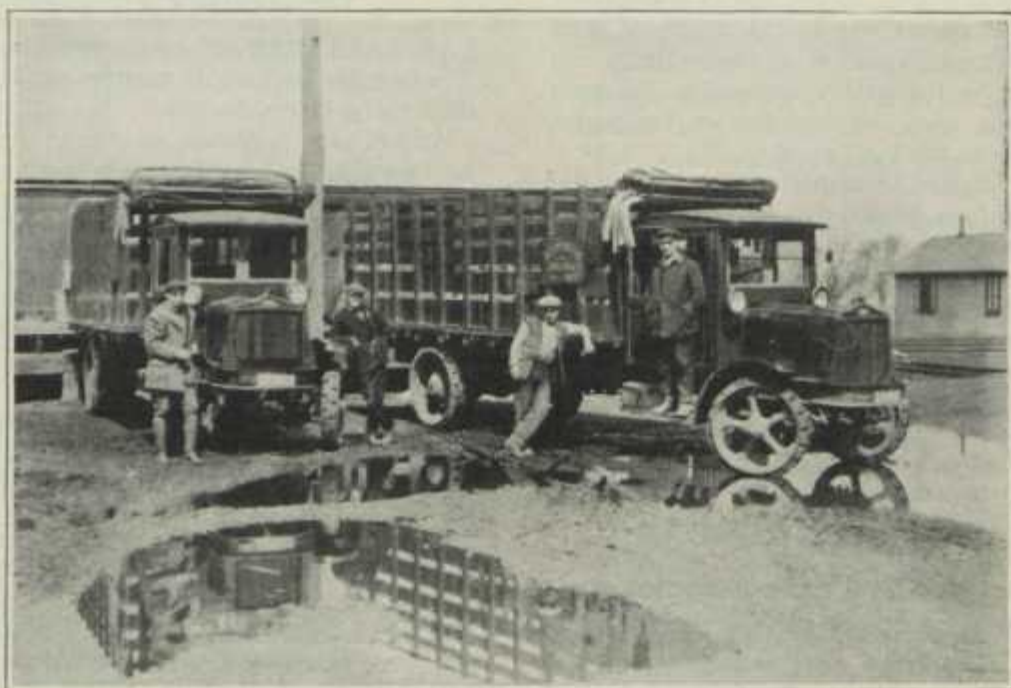
movements over that part of the division.

2. The substitution of a more adjustable factor of transportation, with an immediate moderate saving referred to above.

3. A reduced number of handlings of the freight and consequent saving in loss and damage.

4. A more prompt and satisfactory movement of the less-than-carload traffic.

This method of substituting motor trucks for peddling way freight trains in the distribution of l. c. l. freight is now in effect on twelve



Types of the trucks used by the Pennsylvania to replace "peddling freight trains" in the handling of less-than-carload freight.

the motor truck for these short hauls, such as less exacting packing than is necessary to protect the freight for movement by rail, as well as rapidity of service.

It might seem that the wise thing for the railroads to do is entirely to abandon this class of traffic; but this is not altogether possible, because there are serious obstacles to be overcome. For instance, all the less-than-carload freight to and from all the local stations within a 25- to 30-mile zone does not originate or terminate within the zone,

separate portions of our system, or, in twelve units, as we express it, as follows:

There are two units operating out of Pittsburgh: one over the Eastern Division to Enon, Pa., and the other over the Monongahela Division to Allentown, Pa., including the Ellsworth Branch.

On the Pittsburgh Division there are two units: one operating from Greensburg over the Alexandria Branch to Andrico, and the other covering the territory between Youngwood and Uniontown.

Out of Philadelphia there are three units in operation: one over the Philadelphia Division to Downingtown, and the other two on the Maryland Division, one from Philadelphia to Wilmington and the other from Wilmington to Perryville.

In South Jersey there is one unit operating over the Atlantic Division between Gloucester and Newfield.

Four units are in operation out of Trenton: one on the New York Division to Rahway, including the Millstone Branch; the other three on the Trenton Division—one to Camden, one to South Amboy, and one to Lambertville.

The above twelve units comprise between 400 and 500 miles of truck operation.

As I have said, it is necessary to go slowly in anything that seems to affect the railroads' relations with the public, and particularly anything that has even an appearance of lessening service. The plan I have here described involves no change whatever in dealing with the public, for freight of this class is brought to the freight station, as it always has been, is received for on the rail-

If we could deal more satisfactorily with that, the railroads might greatly reduce the number of unprofitable freight stations and abandon entirely the short-haul, small-lot freight to the more economic motor truck.

The railroad surely ought not to be asked to maintain a full plant for use only in taking care of what is left over by the motor truck because of bad weather or for any other reason.

So far we are gratified with the results of the experiment. We believe we can displace the local freight trains at congested districts on our road by contractual relations with motor-truck companies.

In that way we are only paying for the freight we get and not keeping up the whole organization, as we had to do before we tried this motor-truck service.

Motorization of terminals is coming. We have not yet been able to start it, but we are laying our plans. In all our larger cities freight stations have been distributed at various points throughout the business districts in an effort to locate advantageously to get competitive traffic.

Cars Duplicate Now

TO SERVE all of these freight stations, it is necessary to duplicate the number of cars forwarded to and from a city or frequently to gather up freight from the stations and move it to a transfer point located conveniently to the city, where the freight would be rehandled and reloaded into through cars.

In other words, there is a great deal of movement in and around the terminals required after the cars have reached the receive-

distributed from that point by motor truck to the stations throughout the business districts. Also we purpose to pick up all the less-than-carload freight from these stations by motor truck and haul it to the large station first referred to for outbound loading.

This development, however, means the construction of proper facilities to put such a plan into operation. This in a territory already highly developed through years of adjustments and extensions of track facilities is a very serious problem and involves a large initial outlay.

Quicker Delivery Saves

DELIVERY of this class of freight to the consignee immediately upon arrival would save a large amount of expense for improved stations and would prolong greatly the adequacy of existing stations.

It is plain that the railroad could be combined with the motor to give a package freight service from the shipper's door to the door of the consignee, just as express traffic is handled now except freight trains would be used instead of passenger trains.

A statement that such a service ought to be installed might find wide approval. How it ought to be done, is a question not so easily answered. I personally am convinced—and I believe that most railroad men will agree with me—that this service should not be undertaken by the railroads. It should be in the hands of an independent company, which company should contract directly with shippers or consignees—"traders" is the term our English cousins use to include both classes. This company should be responsible for the transportation, simply utilizing the rail carrier from station to station.

Such a company would have to assume the rights and responsibilities of a common carrier under the law, and there lies one of the difficulties in the way of organizing and getting under way such companies.

I have put this form of train-plus-truck service as the last of the three ways of co-operation, because of the difficulties. This service could not be forced upon the public. They would have to be convinced of its need slowly; but once a start were made, I believe its spread would be rapid. There are certain arguments which would prove effective in this task of "selling" store-door delivery to shipper and receiver:

That less-than-carload freight would be loaded and unloaded from and to railroad cars at outlying stations, and the adjustment of the drayage service would be a matter between the railroad and the rail-and-motor line in their respective divisions of the charges.

That freight stations would be relieved of keeping this traffic for the two days' free time, and indeed relieved of handling it over the congested platforms of the downtown stations.

That business men would be relieved of arranging for drayage after receipt of notice, and the shipper could have his lot of freight delivered to the consignee under one transaction.

That charges would be reasonable, approximating the freight rate, plus the customary drayage charges at either end, which would be much lower than the express charge for the same movement.

That loss and damage would be largely reduced through less exposure of the freight on platforms.

But let me repeat that I do not think that this store-door delivery could best be run by the railroads, nor do I believe that it should be tied in with the motorization of railroad terminals.



You can hardly call it a road, but the truck doesn't care.

road company's bill of lading and under current freight rates. The only change is the utilization of the motor truck under contract with an operating company.

This experiment is being conducted at several points on the Pennsylvania system. It is not, of course, a store-door delivery; but it is our hope that the trucking company will in the end secure all of this less-than-carload freight, all the way through from shipper to consignee. The question of the long-haul, less-than-carload freight is still unanswered.

ing yard, inbound, or before they can be dispatched from the forwarding yard, outbound.

Our idea is to begin in Philadelphia, where we have some forty-odd less-than-carload stations and where some 500 cars a day are used between the yards, where freight runs begin and end, and these forty stations.

What we look forward to is that all less-than-carload freight destined to the city of Philadelphia, for example, shall be unloaded at one properly constructed station in immediate proximity to the receiving yard and

In the Whirlpools of Distribution

The Eighth of a Series of Articles on Outstanding Phases of Marketing.

"JOHN," said the affectionate wife, "before you come home tonight, will you stop at the drug store and get me one of those electric flat irons they advertise for \$3.98 and a pound of tea?"

"Yes," said the loving husband, "and when I go out to get my luncheon in the cigar store, I'll buy you a nice box of candy."

At how many kinds of store can you buy a safety razor? Hardware stores, drug stores, cigar stores, haberdasheries, department stores, sporting goods stores, jewelry stores, Army and Navy supply stores, occasionally in stores that began by selling candy and later carried tobacco. They can be bought from mail-order houses and direct-by-mail, and there are others.

These instances could be multiplied indefinitely to show the increase in diversification that has come over retailing in the last few years in this country. Take a list—probably incomplete—of stores in which food is sold:

Grocery Stores	Butcher Shops
Fish Markets	Delicatessen Shops
Confectionery Stores	General Stores
Bakeries	Department Stores
Dairy Stores	Restaurants
Drug Stores	Tobacco Stores
Fruit Stores	Five and Ten Cent Stores

Let us read in parallel columns the things that you can buy in auto accessory stores and places where you can buy auto accessories:

Auto Accessory Stores	Auto Accessories
Candles and Lamps	Auto Accessory Store
Cutlery	Department Store
Electrical Supplies	Drug Store
Chemicals	Electrical Store
Hardware	Five - and - Ten - Cent Store
Kerosene	Furniture and House
Lenses and Reflectors	Furnishings Store
Leather Goods	General Store
Men's Clothing	Hardware Store
Paints	Leather Goods Store
Rubber Goods	Men's Wear
Soaps	Optical Store
Sporting and Athletic Goods	Rubber Store
Tools	Women's Wear
Toys, Novelties, Souvenirs	Sporting Goods Store

This is only a beginning, but it is sufficient to show the growing confusion. Its significance probably is that the merchandiser is seeking the customer rather than, as in the comparatively recent past, the customer sought the merchandise.

Various factors help to bring about this change. One is the factor of increased rents, which had led to a desire to add to volume of sales without, if possible, proportionately adding to space in stores either for stock or salesmen. Shoe dealers tend to add stockings and fancy buckles, perhaps a small line of leather novelties which do not take a great amount of room and which can be sold partly at least by counter display.

In fact a volume of sales may often be built up on side lines alone, which will pay a large proportion of the store's overhead.

Consciously or unconsciously, a great num-

WILL EVERY retail establishment ultimately become a department store? There are moments when we stop at the window of a druggist's in which is displayed everything but drugs, and are tempted to believe it.

This is a significant phase in recent retailing methods—a phase which Mr. Dodd discusses here and which every merchant would do well to consider for himself. Whether there lies in the situation an evil, is a matter which the author is not yet ready to answer.—THE EDITOR.

By ALVIN E. DODD

Manager, Domestic Distribution Department

ber of merchants are looking for what might be termed a cafeteria trade. A cigar merchant puts out within easy reach a line of five-cent package candies. The man who buys two ten-cent cigars may leave his nickel on the show case and pick up a bar of chocolate. Advertising plays a large part in this development. It is a factor in self-selling, and the dealer who is adding side lines is apt to consider that factor. The cigar man may know tobacco and not know penknives; so that if he puts out a line of penknives, he is apt to look for a line where the "selling" has partly been done.

Merchandise Follows Crowds

HERE is another factor: Merchandise for men is tending to congregate where men are most likely to gather. Luncheons in tobacco stores are a manifestation of this tendency, although the modern woman, also, is beginning to eat her luncheon, as well as buy her cigarettes, in tobacco stores. She will have to explain whether it is the lunch or the men that forms the chief attraction, but one cannot escape a fear that her presence may lead to the sale of blouses or hair nets in tobacco stores.

There is no particular violation of ethics in a tobacco store selling food, candy or safety razors. It is just an evolution of functions. The tobacco retailer has a customer in his store who needs a razor, luncheon or some candy. He argues: Why should he let him escape to swell the profits of the hardware store, restaurant or candy store? Those establishments, he knows well, will sell the customer tobacco if they can.

There is another thing that is complicating this question of retail distribution. That is a lack of facts. It may be a surprise to the ordinary reader to learn that nobody knows how many grocery stores, or hardware stores, or drug stores, or automobile accessory stores there are in the United States collectively, or any of the United States singularly. We ought to know, but we do not know, and there is no present means of finding out.

Through the Bureau of the Census we know how many manufacturers there are of practically every article and the value of their product; we know how many people are em-

ployed in the manufacture of various articles; we can even know how many employees there are in stores of different kinds, but we do not know in how many stores they are employed.

We know, for example, how many people there are in the United States, how many with colored blood, how many pure white, how many from Roumania, China or Turkey, how many are married, how many of them die from tuberculosis; the Department of Agriculture can tell us approximately how many bushels of wheat and bales of cotton there are going to be—maybe—but we

don't know how many hardware stores there are. We have a means of guessing, because the Census Bureau gives us occupational statistics, to which a more or less approximate interpretation may be given; but it must be remembered always that the figure is an approximation based upon an interpretation.

Our need for more knowledge of these steps in distribution is one that we are feeling more and more. Without such knowledge we cannot answer the consumer's complaint that that spread between the user and the producer or manufacturer is too great. No man expects his razor blade to sell at the price of pig iron, but he may ask what factors enter into that spread and how important each is. The consumer can still ask many questions about his dollar which we cannot answer.

There are lines in which we are nearer an answer. We know a good deal, for instance, about bread—the cost of wheat, the cost of manufacturing flour, the cost of selling the manufactured flour, the profits, both wholesale and retail, and even the cost of doing business of the retailer of bread. The same is true of men's shoes and men's suits both for the years 1913 and 1921.

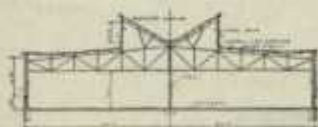
Take another illustration and see how little we know. Hardware is a blank from the bottom up to the moment when the retailer buys his commodities. There is little about wholesaling, either in profits or costs of doing business and little about manufacture, either in profits or costs of doing business. There should be nothing to conceal, since the retailer's profit in 1913 was less than the average profit of men's suits, men's shoes and bread, while in 1922 (we have no figures for 1921) it is greater but not in any remarkable degree. The lack of information relating to the subdivision of the consumer's dollar in hardware is a matter of regret, and what is true of hardware is true of many other lines.

Evidently the first step to take in making a census of the number of retail establishments would be to decide upon satisfactory differences; as, for example, what is a grocery and what is a delicatessen? A grocery store may be a grocery store and yet sell practically all of the articles which are sold in delicatessen stores; a grocery store may be a grocery store and a complete butcher shop also. And, finally, what are you going to do with the department stores which contain fully equipped grocery and butcher shops

Shall it be One or Nine?



The printing shop of the National Cash Register Company, Dayton, Ohio. Built by the Ferguson Company during the War for storage of cash register-making machinery. The building was so splendidly lighted and well ventilated that at the conclusion of the War it was requested by the heads of the foundry, the machine shop and the printing shop. The latter won and the National Cash Register Company advertised this building nationally—full page space—as "America's best printing establishment".



Subject to prior sale, the H. K. Ferguson Co. uses outright, ready for immediate shipment, a considerable amount of the steel for the building shown in the cross section and photograph. It can be erected ready for useful occupancy in 30 working days.

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When you need it quickly and 100% right, remember this—

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And what is more important, when you deal with the Ferguson organization you deal with men who specialize in industrial buildings—who know every point of modern factory design and construction. They have erected hundreds of buildings for America's finest industrial concerns, such as Delco,

A. P. W. Paper Co., Robbins & Myers, Johns-Manville, American Stove Co., Ford Motor Car Co., and Globe-Wernicke Co.

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His Firm Will Do It All**

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GUARANTEED BUILDINGS

When writing to THE H. K. FERGUSON COMPANY please mention the Nation's Business

larger than most individual groceries and butcher shops?

If you count the department store as one store and the individual groceries each as one store, there will be a correct statement of the number of establishments; but if you count the department-store grocery as a separate establishment, you will have a correct count of the places where groceries may be bought, but a duplication in the actual number of establishments.

Some solution to this complicated problem will be found, because it *must* be found, in order that an intelligent estimate may be made of the distribution facilities in different localities. Frequently the statement is made, and the belief probably is widespread, that there are too many retailers or too many wholesalers; but until the number of retailers and wholesalers is known by means of an actual count, there is no justification for believing or disbelieving the statement.

That many retailers fail does not necessarily mean there are too many. Perhaps their location is wrong, or their stock, or their merchandising methods.

We arrive now at another whirlpool in the stream of distribution:

A manufacturer produces merchandise which he sells in large lots to a comparatively few wholesalers. Each of them sells in smaller lots to a much larger number of retailers.

Wait; perhaps he does, and perhaps he does not. Perhaps, like one great manufacturer of soap, he sells exclusively to the "lady of the house"; or like another great manufacturer of soap, he sells direct to the retailer; while still another sells according to the first-named method, to the wholesaler, who sells to the retailer. Or,

take the somewhat similar case in stockings.

One nationally known brand is sold only through house-to-house canvassers. Another brand almost equally well known is sold through retail stores owned and operated by the manufacturer, while others sell in what was the conventional manner, through the wholesaler, who sells to the retailer.

There are the same inconsistencies in the marketing of a great multitude of commodities. It is stated that nearly half of the shoes produced are sold at retail in stores owned and operated by the manufacturers, and the practice appears to be growing. In the sale of men's clothing the same tendency is observed, and the instances might be piled upon each other indefinitely.

What does it mean? It means several things. It means that merchandise tends to move in straight lines without local stops unless some powerful force diverts or delays it. It means also that wherever there are diversions or delays, there have existed economic reasons for them. A wholesaler and a broker and a commission man represent an economic need which must have existed wherever they are discovered, and this must be accepted as a fact no matter how much their presence now is challenged.

Jobber Brands Hurt Manufacturers

ANOTHER direct cause of the inconsistencies in marketing methods is discovered in the value which is attached to private brands. Originally they appertained almost exclusively to the manufacturers of the commodities. Gradually under the pressure of competition the manufacturers offered to attach distinctive labels to the goods shipped to each of their wholesale customers, identifying the goods with the wholesale house, although they were all a part of the same product and of precisely the same grade.

But the effect of this practice seems to have been felt seriously by many of the manufacturers, and there is an effort now to re-establish the manufacturer's brand to the exclusion of the wholesaler's brand. This it is which

has led some manufacturer's to pass the wholesaler without stopping and establish direct relations with retail customers. To what extent this movement has taken place cannot even be estimated, but it is very evident and accounts for many otherwise inexplicable conditions.

Floating down the stream of distribution, we come upon many snags which have affected seriously the wholesale branch. Department stores have become so large that their purchases justify and indeed force them to deal directly with the manufacturer. This is a distinct loss to the wholesale trade, and is not recoverable by any apparent measures.

Chain stores are another instance where aggregate purchasing-power makes nugatory the existence of the wholesaler. Buying organizations of independent retailers are an attempt to benefit by some chain-store methods without the chain-store centralized ownership. And a great many mail-order houses have in a different way accomplished the same results.

All of these factors have had a serious effect upon the relative amount of wholesale trade. Whether this is increasing, or what its actual proportions are, no one may say, and probably no one may even estimate. But whatever its proportions, the wholesale function is here. Distribution cannot dispense suddenly with the credit assistance and the warehousing of commodities furnished by wholesalers without suffering immeasurable loss and delay.

These are but random notes on some current questions on distribution. I have not sought here to give an answer to them. Perhaps they need no answer but they are conditions which retailers, wholesalers and manufacturers must face and consider.





Transportation Ability Determines Value

Distribution Centers at

Akron
Atlanta
Baltimore
Birmingham
Brooklyn
Boston
Buffalo
Beaumont
Chicago
Charlotte
Cleveland
Cincinnati
Clarksburg
Dallas
Denver
Detroit
Dayton
El Paso
Erie
Houston
Indianapolis
Kansas City
Los Angeles
Louisville
Lincoln
London, Eng.
Memphis

Minneapolis
Milwaukee
Montreal, Quebec
New Orleans
New York
Oshawa, Ont.
Oakland
Omaha
Philadelphia
Pittsburgh
Portland
Parkersburg
Pontiac
Rochester
St. Louis
San Francisco
Seattle
Spokane
Salt Lake City
Saginaw
San Antonio
Shreveport
Toronto, Ont.
Vancouver, B. C.
Washington
Winnipeg, Man.

*Direct Factory Branches

The high value which users place upon GMC trucks is based, not upon their initial cost—but upon their ability to deliver dependable, economical and enduring haulage.

And this value is further guaranteed by the knowledge that the list price of a GMC truck is the actual cost of producing it, plus a fair profit—no more.

Likewise, GMC users have come to value their "used trucks" in the same way—by the actual transportation left in them.

Consequently, resales to GMC users become transactions governed strictly by the actual merits of the new GMC, and of the old truck that is to be "traded."

Only upon such basis can sound, satisfying business for both buyer and seller be established.

GENERAL MOTORS TRUCK COMPANY
Division of General Motors Corporation
Pontiac, Michigan

General Motors Trucks

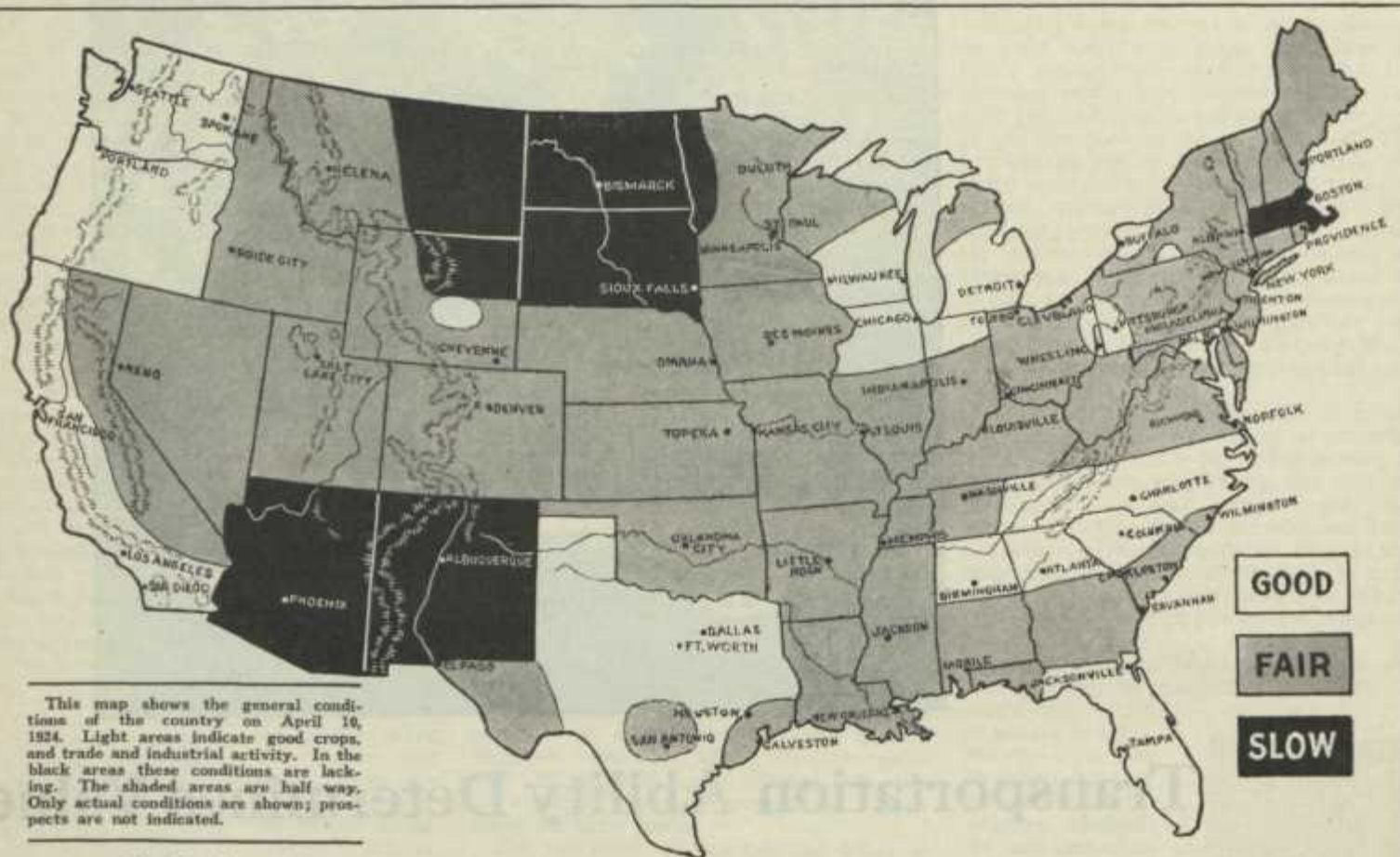


When writing to GENERAL MOTORS TRUCK COMPANY please mention the Nation's Business

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"



The Business Map of Last Month



The Map of a Year Ago



TRADING and industry hardly shaped up to anticipations in March and the early part of April. In fact, trade tended to taper off and industry slowed down slightly. Mail order sales, bank clearings returns, railway car loadings and pig iron output sagged slightly from a year ago, automobile output dropped below February, though exceeding that of March a year ago by a fraction, lumber buying and production slowed down and commodity prices repeated the action of the preceding three months in seeking a newer and slightly lower level.

Preparations for a record year in building, however, went forward at an unexampled rate. All the old reasons hitherto assigned for the failure of some things to meet expectations, bad weather, bad roads, bad politics and price

uncertainties came in for mention as reasons for the slight visible effect of all these causes upon the total volume of trade and industry.

While on this subject it might be well to remember that trade reports as a whole have perhaps taken undue color from what is called piecemeal buying, the like of which in many trades and industries has never before been seen. Also it may be that the lateness of the season, with Easter three weeks later than a year ago and winter conditions prevailing through March may have vitiated comparisons so that the usual statistics of movement do not perhaps give a true idea of the real proportions of trade output and turnover.

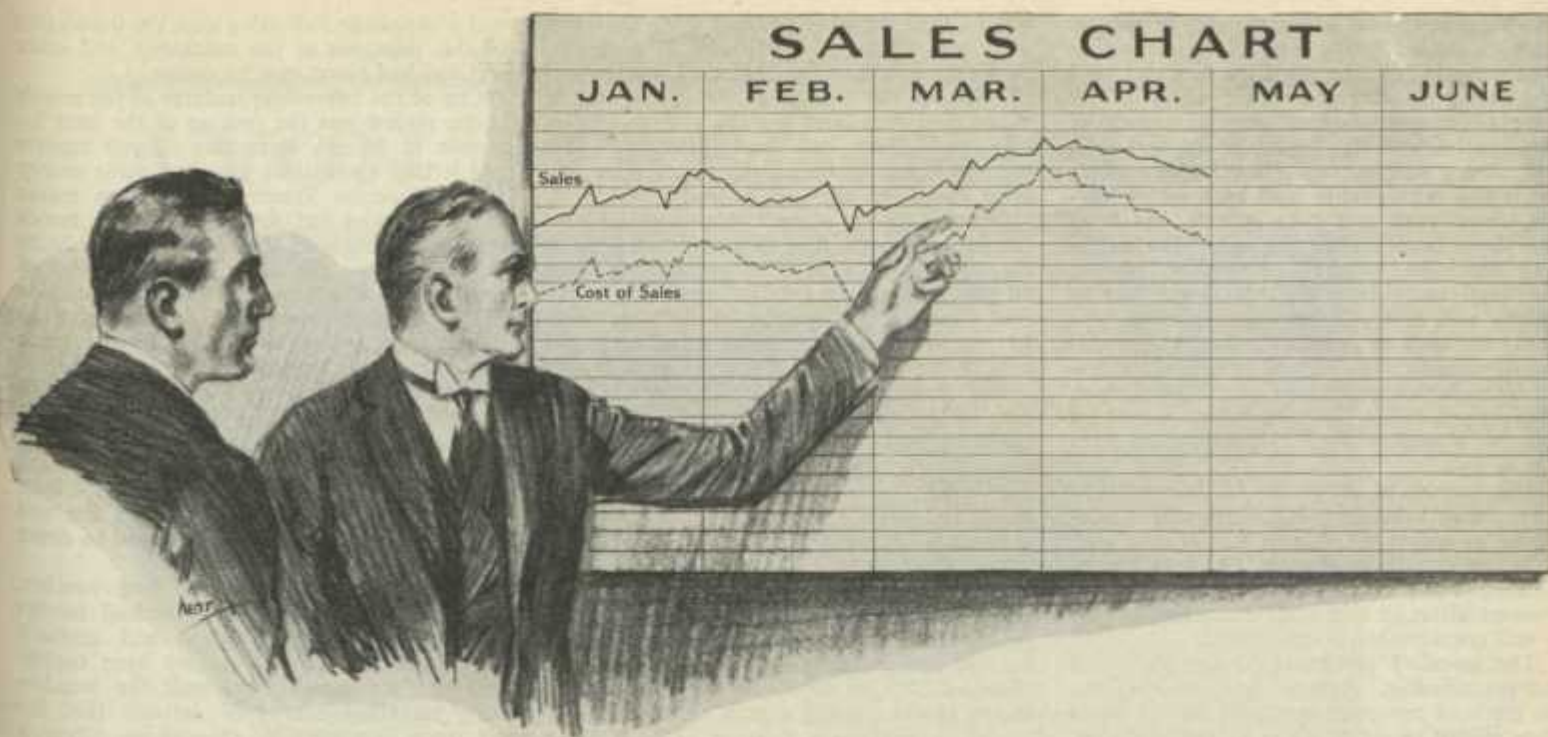
Indeed, the first quarter's figures as a whole make a far better appearance than do those of March, gains over a year ago being general, and

it will hardly be claimed that the first quarter of 1923 was a slow period in trade or industry.

Part of the unquestionable flattening out of the cheerful sentiment earlier visible was no doubt due to the failure of the predicted rise in the stock market to get going. March sales of stocks were smaller than in January or February and while railway stocks reached the year's highest level early in April, industrial stock averages fell to the lowest of the year in late March. The bond market was, however, aided by abundant money supplies.

The failure of Congress to enact tax legislation was no doubt hurtful to the feeling which had been buoyed up by earlier favorable predictions.

The lateness of the season and several flare-backs in the shape of winter storms had a



It Takes Both Lines to Tell the Story—

Today, as never before, every business man needs figures to show him the tendencies of his business. The volume of sales may be good but if the cost of selling is too high, the margin of profit must suffer.

To watch the sales only is to court disaster. It's quite as necessary to watch production costs if you are a manufacturer, and selling expense and cost of merchandise if you are a wholesaler or retailer.

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figures, and developing equipment to handle them in an easier, shorter and most economical way.

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slowing-up effect on agriculture. The appearance of settled spring weather in the southwest early in April revealed the fact that corn and cotton planting and winter wheat growth were all retarded beyond normal. Much of this can be, and may be, made up, and cold, wet, snowy weather, while hurtful to country roads and calculated to hold back spring buying, farm work and crop growth, has however been beneficial to the soil. The northwest which had been rather too dry received beneficial moisture from this source late in March and reports from the southwest generally are such as to indicate that winter killing of wheat in the central west may be offset by higher condition west of the Mississippi. Current estimates of April wheat condition are for a gain of 8 to 10 points over April a year ago.

The lateness of the season in the northwest may aid in bringing about the predicted decrease in spring wheat area which, it is said, is to be supplanted by oats, flax and corn. California crop conditions have been helped by showers although that state's moisture supply is still considerably below normal.

The so-called piecemeal buying has stood out prominently. Apparently there has been no trace of nervousness among buyers as to their ability to get goods of almost any kind. This no doubt has been instrumental in making for leisurely purchasing which in turn has reacted on commodity prices which have also responded to increased output of eggs, dairy products, etc. The steady sinking in strength of prices of staples since December 1—the price index as of April 1 was 5.7 per cent below that date and the lowest for seventeen months—has brought this fact out.

In the case of cotton goods, the refusal to buy freely was partly reflected in the ten cent drop in raw cotton up to March 1 and again in the steady declines week by week in the averages of cotton goods themselves from January 1 to March 29. Early in April a little strength was shown based on the reaction found in raw cotton but this was offset in turn by another downturn in that material on reports of better weather south.

Cotton was not the only farm product to show weakness in March. May wheat, which

was \$1.11½ for May delivery when the executive order fixing the additional 12 cent duty on wheat was issued on March 7, by the end of March was scraping the dollar mark. Wheat and corn both felt the absence of foreign outlets due to former customers for our grain taking Canadian, Argentinian and other countries' offerings instead.

Despite the sag alleged in automobile buying output for the first quarter was 1,040,000 autos and trucks (the latter constituting about 10 per cent of the total), a gain of 18 per cent over the first quarter of 1923 and only 10 per cent below the output of 1,155,281 cars in the peak second quarter of last year.

The irregularity in retail buying has been notable this spring. Mail order sales in February were 16 per cent larger than a year ago and 1.3 per cent ahead of January while in March they were 3.2 per cent ahead of February though 3.9 per cent below March a year ago. For three months however, they were 7 per cent ahead of 1923.

Car loadings for the third week of March were one per cent below last year, this loss mainly in coal and certainly not in lumber, but for three months they were 2.5 per cent ahead of 1923, or about the same gain as was shown in the country's bank clearings.

Steel Holds Up; Rails Improve

PIG IRON output for March was 1.7 per cent below a year ago while the three months total was 2 per cent below 1923. Steel output in March, however, despite all the talk of leisurely buying was little below the peak point reached last May. February gross railway earnings gained 7 per cent over a year ago while net operating income was 82 per cent larger.

In failures, the features in March and the first quarter were the close approximation in number to the totals rolled up in the corresponding periods a year ago, coincident with the second largest quarterly total of liabilities ever recorded, exceeding the like period last year by 70 per cent and second only to the last quarter of 1907. In the latter year as in 1924, bank suspensions were largely instrumental in swelling the liabilities totals but a cheerful feature of the March liabilities

was a shrinkage indicating that the liquidation in this direction in the northwest and other sections had about run its course.

One of the interesting features of the month under review was the routing of the bear interests in foreign currencies. Some reports had it that speculators who had made money selling Austrian kroner and German marks short and who had depressed French francs on the repetition of the claim that the latter were to follow the mark into the limbo of dead currencies, were defeated by the action of the French government in reforming its budget and calling to the aid of the franc a big syndicate headed by Morgan & Co.

The franc which sold at 3.42 cents on March 8 reached 6.06½ cents by March 31 and could have been forced higher were it not for unsettlement produced by the forced sales by shorts of other securities. Bear operators in Belgian francs, Italian lire and Spanish pesetas were in turn induced to cover their shorts at big losses.

With all the drawbacks of bad weather, bad roads, price uncertainty, limited foreign markets for American grain and cautious buying, the constructive trades have continued as for several years past the wonderfully sustained course of activity that has set them in a class by themselves. Given a sensible course by labor as regards wage demands there is apparently no bar to even greater activity being shown this year.

Buildings permitted for in February were valued at \$274,000,000, the third largest monthly total ever recorded but the preliminary March total at 150 cities points to a gain of 24 per cent over February and of nearly two per cent over the high record of March last year. The quarterly total of building promises to exceed the hitherto peak second quarter of 1923 by two per cent while gaining 10 per cent over the total for the first quarter of last year.

It will be recalled that "snowballing" of wage demands put a damper on last year's building boom in April and much work was undoubtedly postponed. The future of the building boom, upon which depend so many other industries, rests—and apparently entirely—in the hands of labor.

Don't Be Sold Insurance—Buy It

By ROBERT LYNN COX

Second Vice-President, Metropolitan Life Insurance Company

HOW MUCH insurance shall I carry? is a question often asked; and usually, we suspect, with emphasis as indicated by the italics. Most of us have been

accustomed to look upon life insurance as a general burden imposed upon society, to be shared by each economic producer somewhat in proportion to his ability to pay, very much as tax burdens have to be shared.

But viewing the question from the standpoint of a man in the life insurance business who sees daily the broad purposes and wide usefulness of life insurance, the question should be emphasized in this way: How much life insurance should I carry? Then the matter becomes not so much a question of a burden being imposed upon us as it is a privilege of being permitted to buy for ourselves something that we really wish to possess.

How many of us among the millions who are carrying such insurance can say that we bought it as we bought the other things we own? Most of us have to admit that instead of really buying our life insurance, some clever agent came along and sold it to us.

Now, in order to buy life insurance intelligently, we should begin as we do with other things; we should first list our full and complete needs and then set off against them an inventory of our supply on hand. We should not allow a strange agent to walk in and sell us something that he wishes to sell, without taking into consideration just what it means from the standpoint of what we need to buy.

Too much life insurance has been offered and taken as more or less of a gambling proposition, a chance to win big money in case a man should happen to be one of the comparatively few in every thousand who meet untimely death within the near future. Appeal was made to the instinct which makes so many of us like to sit in a poker game, or perhaps to play bridge, or maybe to witness a contest in which there is a combination of luck and skill.

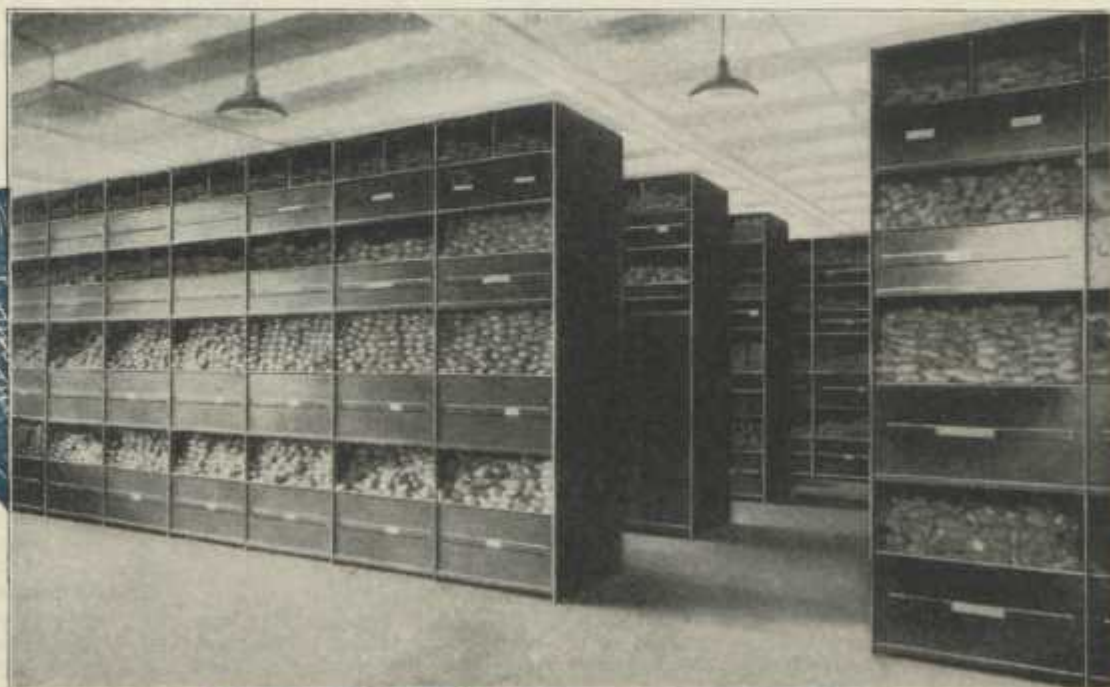
Economists agree that a transaction in

which one man's gain is another's loss is uneconomic and unsound if not immoral. Yet it is exactly in this way that life insurance was too often sold in its early days.

It was presented as an immensely attractive lottery, in which huge sums were to be won on the payment, possibly, of but one premium, and on which some sort of returns were to be made on even the poorest tickets. Men were encouraged actually to bet against themselves, to bet on the paradox of winning (money) by losing (life).

The continuance of life, with all its uncertainties in the individual case, may perhaps be viewed as a gamble or chance from the standpoint of an individual, but not so from the standpoint of a company that is carrying on the business of life insurance. The hazard of death among a large number of lives strikes an average that can be foretold with accuracy, and involves a cost that can be easily computed in advance. The wise buyer of life insurance today recognizes this hazard that applies to him in common with all other men, and wishes to take advantage of covering it at its average cost. He cannot

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Lyon Standard Steel Shelving is exceptional not only in strength but also in ease of erection, simplicity of adjustment and in

the complete standardization of all parts.

Equal in character to Lyon Standard Steel Shelving is Lyon Engineering Service. Our engineers will be glad to plan your stock-room arrangement—and submit their recommendations in blue print form. They are well qualified also to help you in developing a complete stores system.

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Merchants' Bank Bldg., Indianapolis, Ind.
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afford to carry it as an individual and personal risk.

Thus it is that life insurance comes to be recognized as a necessity that should be actively sought, and *bought*, not merely wistfully wished for and passively accepted. Life insurance is the thing that is needed to make certain that our "good intentions" shall eventuate here on earth and not become mere paving material for another land in another clime.

What are the good intentions of every right-minded, able-bodied man? To pull his own weight in the boat and, if possible, a little more. Or as applied to the subject in hand, to take care of himself and of all who are dependent upon him for support in whole or in part. These intentions are made nearly always with the hope and expectation of completing "three score years and ten." In concrete terms they vary widely in individual cases. So each person, in the final analysis, must take up his own list of "good intentions."

We find the man we are speaking of engaged in either business or professional activities which are bringing him an income that affords the basis of his hopes and expectations for the future. Whether he be married or single, he is looking forward to the time when he shall have accumulated property enough to assure him an income sufficient for maintenance when his earning powers shall have ceased, either because of incapacity, illness, injury or old age.

If he is a married man, he is looking forward for like economic independence in old age, not only for himself but for his wife as well. In addition to this provision against probable old age, most men are compelled to think of caring for children until they reach maturity. Others are faced with the duty of furnishing support for aged parents or other dependent relatives. Probably they are planning to give their children a college education.

There come also into the lives of most men various other problems, such as providing for payment of funeral expenses, of debts, of mortgages upon their homes, of inheritance taxes, or possibly, losses that may occur in connection with a forfeit of securities if no cash is available at the time of death to meet obligations that must be paid at once in cash.

Such questions and many more arise in the mind of every man when he sits down to think of the problems that would confront those who are dependent upon him and whom he intends to shield from meeting such problems if he continues to live. But what if he should die? What can he do about that?

At this point are we not ready to change somewhat the question that was asked of us at the beginning of this article and now ask: How much insurance is needed to *carry me*? Have we not reached a point where every reader is ready to take up pad and pencil and make an inventory of his personal responsibilities? Surely the items stand out plainly enough in the circumstances of his own life. His intentions have been pretty clearly formulated by affection for those who are dependent upon him. He has thought seriously on the subject of what will be their future economic needs. He may feel that he

is ready to go to his life insurance counselor, but before doing so he should definitely catalogue his responsibilities. Let me list some of the questions he will ask himself:

How much cash will his family need to meet various obligations upon his death? How much of an income should he provide for his wife?

Shall it be for life or for a term of years? If the latter, for how many years?

Shall it be for a given amount each year for life, or a larger amount in the earlier years when the children are small, with a decreasing amount after the lapse of a certain number of years, or when his wife shall have reached a given age?

What income shall be provided each year for the support of his children, and for how many years shall it be continued?

NOT LONG ago a vice-president of one of the country's biggest corporations said to us:

"I've just learned something. I was, or thought I was, amply insured. I didn't want to leave my boys rich. I wanted to educate them and let them go ahead. I do look forward to a period when I shall stop work and take what's left of my life comfortably. I wanted my wife to have the same ease if anything happened to me."

"But the trouble was I'd never clearly defined what I wanted. So I got an insurance man in, told him I wasn't buying any more, laid all my cards on the table—what policies I had, what investments I had, everything. And he showed me more things than I ever knew."

That's what we had in mind when we asked Mr. Cox to write this article. We said to him:

"Don't bother to tell our readers that life insurance is good. They know that. Tell them something they can think over about how to buy it."

And Mr. Cox has.—THE EDITOR.

Shall he provide now definitely for a college education for his children, with perhaps an added amount for professional training for the boys?

What about the mortgage on the home? Shall provision be made for the cancellation of that in case of his death?

And what of his business and its possible failure through loss of his services?

And finally, what of old age and the need to provide against dependency when his earning power shall cease?

The questions of how to meet these problems can all be answered by a wise life insurance counselor, and all uncertainties of the future occasioned by the possibilities of death or disability can be removed by the life insurance company. So, let him ask again:

How much life insurance, and what kinds, will it take to remove the uncertainty of my being able to fulfill my good intentions? How much life insurance will it take to carry my unescapable hazards?

There is one very human difficulty in the way of asking and answering these questions, but it is one that can be overcome. It lies in the fact that it's not easy for men to tell the truth about their own affairs even to themselves, let alone to another. Any man who has dealt in insurance for a long time will tell you that. Men will overstate what they've got and understate what they owe almost unconsciously. It's a natural human weakness, and it's more nearly universal than most of us think.

But having asked and answered truthfully,

don't then wait for the life insurance agent to come around and plead with you to take more life insurance of the kind he happens to be selling. But consider your insurance needs as we have tried to point them out in question form. You would not think of going to your banker and asking him how much money he would like to loan you. Or to your lawyer for advice on how much litigation he would like to take care of for you. You would not even ask your architect how large a house you should build without having advised him as to the size of your family and the amount of money you have to spend.

Why, therefore, wait for the insurance agent to come around and advise you on such an important matter as life insurance without furnishing him with a list of your insurance needs and telling him how much your income will permit you to spend by way of covering them.

If you have followed my thought to this point, I am confident you will realize the importance of ceasing to think of life insurance in the light of a lump sum of money. You will instead be thinking of it as a means of continuing for a certain number of years an income for those who are dependent upon you. You will be no more willing to turn over to these dependents the wise investment of any large sum of money than you are willing to turn it over to them now. On the contrary, you will be thinking of how you can make certain that the principal will not be lost through unwise investment—how it can be made to produce with certainty the income you wish to provide for your dependents.

You will, I hope, have ceased now to think of—

How much life insurance should I *carry*? and will have come to think instead of—How much income shall I provide, for whom, and for what purposes, and for what length of time in each case? For an answer to each of these questions you will consult some trusted life insurance counselor and will then follow his advice just as you would follow the advice of your banker, your architect, your lawyer, or your doctor. Let the life insurance adviser tell you how to make certain that your good intentions shall be carried out regardless of whether you live or die.

Remember that guaranteed economic longevity is purchasable on the basis of its actual cost for the average man. How much you should buy at this rate depends upon your view of the economic value of your life in relation to other lives for a certain number of years.

Economic Research Program

THE NATIONAL Bureau of Economic Research, which did such first-rate work in its research into the income of the United States, has announced the programme of work upon which it is now engaged or will shortly start. Dr. Wesley C. Mitchell, the director, has these studies, among others, in hand:

Transportation in the United States
America's Spending Wages and Salaries
America's Savings Fluctuating Wealth
The Middle Man The American Farmer

The business cycle is under inquiry in its relation to Trades Unions, The Labor Factor, Migration and Interest Rates.

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A letter to travel half the continent
and win an order of considerable importance ~
A routine office memorandum ~
and they looked alike !

THESE communications, intended to accomplish widely different purposes, were very much alike in their appearance. The paper upon which they were typed was the same. It was selected to conform to an office standard.

This standard was set to relieve the confusion brought by the multiplicity of names and grades of bond papers.

No one realizes more keenly than we do the difficulties confronting the man who sets out to buy paper wisely. There are more than one hundred and twenty-five different prices at which bond paper may be purchased. This indicates that those who make and sell bond paper recognize one hundred and twenty-five separate grades. Falling in some one of these grades there are more than six hundred brands on the market. Competition, not utility, has obviously controlled the situation.

Can we wonder then that arbitrary standards are set.

Practically speaking, what harm if arbitrary standards are set? Harm may easily result,—from the waste of a little money now and then, to consequences of a more serious nature. Take the above instance. If the paper was good enough to stand the mail bags and office handling and still come crisp and fresh to its destination—perhaps then to be routed to associates—it was altogether too good for the office memorandum. In this case a little money was wasted on the office memorandum.

On the other hand, if the paper was of a grade primarily intended for office forms, it could seriously handicap the letter. Much depends on circumstances, and if competition for the desired order was keen, and

prices and merchandise largely standardized, things that might appear of minor importance could weigh in the balance.

It is better therefore to watch appearances. It is better to waste a little money on the office memorandum than to jeopardize the success of the business letter.

But it is necessary to do neither. This is but one of many examples showing how paper may be wisely or unwisely bought.

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Invoices	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Statements	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Checks	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Receipts	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Notes	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Purchase Orders	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Contracts	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Receipts	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
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Receiving Reports	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
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Reference Booklets	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4

KEY TO ABOVE CHART

1—First Choice 2—Second Choice 3—Third Choice 4—Fourth Choice, suggested only where low price is more important than quality.
• Recommended for Office Lithography.
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The Case for the McNary Bill

By CHESTER C. DAVIS

Commissioner of Agriculture of Montana

THE NATION'S BUSINESS for April contains an article by George E. Roberts, of the National City Bank, which starts out as a discussion of the McNary-Haugen bill now before Congress, diverts for a moment to attack to the measure the odium of price-fixing, and concludes with an essay on Price. It is with the thought that this country needs understanding to replace misunderstanding between financial centers and agricultural districts, that I am attempting to set forth the attitude of the men who support the principles of the McNary-Haugen measure, and their reaction to Mr. Roberts' article.

It is necessary first to dispose of Mr. Roberts' charge that the McNary-Haugen plan will "fix" prices. This is exactly what it does not do. To knock down a straw man labeled "price-fixing" is not an acceptable argument against the measure.

The bill, in brief, would make the protective tariff effective in maintaining a fair domestic price level for crops of which we produce a normal surplus. The degree of protection is that necessary to permit these prices to rise to their pre-war relationship with the general price level in this country. Obviously an unassisted tariff on crops of which we normally produce a considerable quantity for export is, to a large extent, a fiction. To make the tariff effective for such crops it is proposed to create a marketing corporation to cooperate with exporting and manufacturing agencies in handling sales abroad without permitting the surplus to accumulate or to smash down the home market to the world level, as it does at present. There is a difference between the home price and world price of the relatively small amount that goes in export trade. This is met by a fund to which each unit of the commodity contributes as it moves in trade. A workable device for its collection is established. All funds advanced by the Government will be returned to it.

The Government does not fix or guarantee a price. This producers' corporation segregates the surplus of our basic crops so that supply and demand meet on the domestic market at a fair exchange value, and the Government protects that value by a tariff.

This is not "Government in business." The whole plan rests upon the utilization of existing agencies of commerce and manufacture. The only price provision in the bill, far from being a fixation of price, is a limitation on the powers of the corporation which stops its buying when prices have risen to a pre-war parity with the general level.

It is only in relation to other costs that farm prices are too low. In dollars and cents they are nearly equal to, or above, pre-war prices. But prices for other goods and services are disproportionately high and they are artificially held there by laws.

The chief criticism of Mr. Roberts' article

MR. ROBERTS' article on price fixing in THE NATION'S BUSINESS for April, with its incidental reference to the McNary bill, drew fire. The supporters of that measure rushed to its defense. Moved largely by a desire to play fair and to give our readers both sides of a much debated question we are publishing Commissioner Davis' article.

Yet there stand these objections, that the bill would:

- (1) Destroy marketing channels at home;
- (2) Embark Government itself in buying, selling and manufacturing, thus menacing every line of industry;
- (3) Wreck the friendship of foreign consumers by official "dumping," which our own laws condemn;
- (4) Artificially raise prices to our home consumers in order to supply foreign peoples cheaper;
- (5) Deceive the farm with probably worthless scrip, receiving no more real value than high grade wheat is worth today;
- (6) Initiate a vicious circle of inflated prices and rising costs;
- (7) Stimulate overproduction, creating new problems;
- (8) Necessitate policing more extended than the Volstead Act;
- (9) Eliminate all incentive to sound diversified farming;
- (10) Menace the hopeful cooperative movement;
- (11) Establish a precedent for Government price-control that later would be turned against the farm.

is that he deals with economics as a thing of paper and ink, whereas the problem is one of homes and children and food. He falls into a common error in assuming that we are living in a world of freedom of operation of natural laws, whereas this is a country protected by man-made laws that prevent and direct for certain ends the operation of natural forces. The law of economics is not operating in a free manner in the United States. It is controlled through legislation.

Mr. Roberts lays down before his readers as an implied premise a clean field in which natural leveling forces have free play, and across which it is now proposed to drag a disturbing and fantastic device. If his premise were correct then there would be merit in his conclusions. But his premise is not correct. The field which Mr. Roberts envisions as clean and natural is wholly disturbed and unnatural. Legislation has been devised to prevent natural leveling off. The farmer has the short end of the pole in bearing the common burdens. The McNary-Haugen bill merely adds logical protection for agriculture to the precedents that have been written into our laws for the protection of industry, labor and transportation.

Let us enumerate a few such interferences with natural laws. The Fordney-McCumber Tariff protects industry, and capital invested in it. The Immigration Act of 1921, supported by the Adamson Act, protects labor. By the Esch-Cummings Act we approved for the railroads a profitable return on investment, and provided vast government loans, strengthening their resistance to forces that would reduce freight rates to pre-war levels. By government action we have made the home

market for industry and labor to a considerable degree independent of foreign markets, which is Mr. Roberts' own definition of what the McNary-Haugen bill accomplishes for agriculture.

These things have been going on without drawing down upon their fallacy the disapproval of Wall Street expressed through Mr. Roberts. It is only against a workable plan to extend the same degree of protection to agriculture that he is moved to cry "heresy." It is only when agriculture is added to the list of beneficiaries that the trend is condemned as paternalistic.

The effect of this protective legislation is to create an American scale of living far above the world level. Yet farmers forced to buy and pay on this level have been denied a place at the same table. It is conceivable that if the situation were reversed and the prices of foodstuffs were raised above world levels to the benefit of the farmers, while world prices for manufacturers and labor were imposed upon the industrial enterprises of the East, Mr. Roberts would not be moved to protest against devices that would remove the inequities.

It is not difficult for those who have studied this plan to answer Mr. Roberts' objections to it. But it is much more important to examine in detail the alternative remedy which he recommends—the *laissez faire* doctrine of letting the problem solve itself by a reduction of acreage through elimination, to a domestic basis. But the objections should be considered briefly. They are:

(1) That we propose to subsidize the foreign food supply.

No more of any crop would be sold abroad under the proposed plan than at present. The protected home prices would be no higher in purchasing power than they were before the war. Our exports would have no different effect on the price of food to foreign consumers than they have now.

(2) That this plan would provoke foreign retaliation.

It is difficult to reconcile this with his contention in the paragraph above, since no food-importing nation would feel inclined to shut food out. What are the facts? Our surplus food products go to nations deficient in food production. A study of the bounty countervailing provisions, the tariffs, and the anti-dumping laws of every nation to which we export food products fails to disclose one whose existing laws could be invoked in retaliation. There is no reason why they should be. Great Britain's "Safeguarding of Industries" Act specifically exempts articles of food from its anti-dumping provisions. France has recently cut its tariff on wheat in half.

(3) That the measure would tend to pull down wool and cotton prices.

This is a misinterpretation of the bill. It cannot possibly do anything of the sort. The corporation can only function with respect to



AND THE DREAM CAME TRUE!

The story of the amazing growth of the automobile industry and the men who helped to make that growth possible

THE swift development of the automobile is one of the amazing romances of American industry. The impractical toy of thirty short years ago has become the most indispensable means of modern transportation. The pioneers of the early nineties have lived to see their "horseless carriages" flow in unbroken streams along the highways of the world.

In 1899, only 3700 automobiles were made in the United States. In 1923, more than four million passenger cars and trucks were produced, swelling the total number of cars in active service to more than fifteen million—one for every seventh person in this country.

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J. R. HALL

Vice-President and Factory Manager, Chandler Motor Car Company.

JOHN MOORE

Chief Engineer, Lexington Motor Company, and designer of the Antel Engine.

OTTO LOESCHE

Chief of the Experimental Department, Lexington Motor Company. Mr. Loesche machined and built the first model of the Antel Engine invented by Mr. Moore.

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the enumerated crops when their purchasing power is lower than that of the ten pre-war years.

(4) *That the price ratio plan is "fantastic" and "visionary."*

After all, this is merely a measure of the degree of protection. It is logical. It is workable. What better measuring stick has Mr. Roberts to suggest?

(5) *That there are other low spots besides agriculture.*

Agriculture directly affects 40 per cent of our population and is indirectly important to the rest. Mr. Roberts is unfortunate in the use of copper as an illustration. The great copper company which dominates this field is in position to supply the market of the United States either from its domestic mines and smelters or from its property in low cost South America. It can play both ends against the middle. This the farmers cannot do.

(6) *That it would keep unfit land in wheat production.*

The McNary-Haugen bill would not keep marginal land in production since it protects producers only to the point of pre-war exchange value for their crops, less operating costs of the corporation. Surely, no one will contend that the pre-war exchange value of wheat was too high.

(7) *That it interferes with what Mr. Roberts considers the proper remedy—that is, let the disastrous relationship work out its "useful function" (the words are his) of elimination until production supplies the home market—no more. To have more is to continue the loss since the price of the surplus fixes the price of the whole.*

His theory will work. It is attractive only when it is expressed in terms of words and figures. When reduced to human lives and savings, farms and families, schools and towns, it presents a picture from which even the New York banker, remote from agricultural contact, will shrink.

Shifts from one form of production to another are not so easy as they sound. The farmers of the United States would like to learn what profitable alternative crops to turn to. The cattle dollar is the lowest of any of the basic commodities mentioned in this bill. The hog dollar is next and the wheat dollar next. One would hardly recommend that farms shift from wheat to cattle or hogs.

Hard for Farmer to Change

DEBTS and taxes demand that farmers produce or go under. Mr. Roberts assumes the responsibility of telling them to stop wheat production. The duty devolves upon him to indicate the form of production that shall take its place. Perhaps he is one of those who wish the wheat farmers and the hog farmers to turn to butter fat as a major cash crop. Suppose they do this. What will happen to the present milk producer?

Why is there a normal surplus of farm products above what home markets can absorb at fair price? The Government of the United States literally forced an expansion of production during the war. At the same time it forced curtailment of domestic consumption. Before the war the Federal Government, the states, the railroads, and the bankers all assisted in an era of development of raw lands. There was entire lack of a sound national land policy when this was taking place. The farmers are here. What is to be done about them?

Brutally expressed, Mr. Roberts' plan is to bring about a fair price for wheat, let us say, by the elimination of 20 per cent of the farmers growing wheat through the opera-

tion of low world prices. These 20 per cent are not necessarily the least efficient workers. They may be forced out because of distance from market and causes other than personal.

The farmers do not think they deserve to be eliminated. They did their duty during the war; they have their families; behind them lie years of toil and sacrifice; the savings of a lifetime are at stake. They are sturdy men and women with the souls of pioneers. They will strive stubbornly to carve out success where their roots are planted. That is what they are doing today—fighting grimly against a system of crucifying costs, sustained by legal interferences with natural laws.

When the point of deficiency production has been reached food prices will mount skyward. The swing of the pendulum is from extreme to extreme. At the topmost point it means food scarcity and viciously high prices in the cities. Stimulation of production multiplied by the higher prices will be set in motion again. Is this the counsel of sanity—build up—destroy—build up—in alternating periods? Our people are not a race of book economists who respect this reasoning.

The Completed Cycle of Agriculture

By W. I. DRUMMOND

A RECENT press dispatch from Minneapolis announced the end of the National Nonpartisan League, when that body was merged with the Farmer-Labor party.

Thirty years ago the Farmers' Alliance came to a similar end by going into the Populist Party.

The cycle is complete. The measure of a generation has again been taken.

Neither the Populist Party nor the Nonpartisan League was in itself important, as large movements go; but each gave expression to a state of mind which periodically recurs, and which extends far beyond the limits of such organizations.

Thirty years ago the condition of agriculture was much the same as it is today. Overproduction and smothered markets had caused general depression, with ruin in many places, while in others crop failures resulted in privation and depopulation. Farm products had even less purchasing power than they now have.

Thirty years ago a large number of good people were absolutely sure that nothing could possibly save agriculture except free silver, plenty of paper money, Government ownership and operation of railroads and public utilities, unlimited Government loans and bonuses, and other like remedies. No line of argument, no array of facts setting forth the history of precedents or the inevitable results of such radical action, could change them.

But a beneficent Providence had so timed affairs that the natural processes of their own reasoning had brought about a sufficient change in sentiment, by the time the crucial election of 1896 was held, so that a safe majority were free from illusion, and the country adopted policies and principles that have resulted in the greatest progress ever recorded by any nation or people.

And now again we have numbers of our best citizens demanding political and legislative action as a means of correcting economic derangements. New voices swell the chorus, and the words of the song are different, but the tune is the same. And again the same reasoning processes that operated before will

Such powerful forces will crush them but they will press back. There is a social and political side to this economic problem.

Chained to a world price level for their basic crops while forced to buy on a law-made protected market such goods and services as they have to have to exist, debts multiplied by deflation, the prospect is anything but attractive for the American farmers. Records of the U. S. Department of Agriculture show that they are being forced off the farms at the rate of 100,000 persons a month.

If 1,200,000 souls are to be driven off the farms in this country yearly, will Mr. Roberts be good enough to suggest what is to become of them? Six hundred banks have failed in twelve agricultural states in the past two years. Hundreds of millions have been lost by merchants and manufacturers financially dependent upon the farm market. This is due to the lack of debt paying and buying power on the part of agriculture.

The farmers want debt paying and purchasing power, not bloodless economics. They will not passively remain the victims of maladjustment while industry and labor are shielded by the artifices enacted for their protection.

function, with the same result. But in this instance there is less time before another pivotal election will be held. We are nearer to the forks of the road. For this reason, the danger of unwise or precipitate action may be greater, because statesmen place high value upon expediency.

Many of us passed through that hectic period of the early nineties. All of us hope to live through this one, and for thirty years more. If we do, we will no doubt witness another.

Our friends of today who want the Government to take over the business of agriculture do not feel that they are radical. Neither did our friends of thirty years ago when they were advocating the remedies that they conceived were then necessary.

The present generation of progressive political economists think they have evolved something new. But it's all old stuff. It was old when the inspired author of Ecclesiastes wrote:

The thing that hath been, it is that which shall be; and that which is done is that which shall be done: And there is no new thing under the sun.

No reasonable man, who knows anything about it, will deny that the situation of agriculture is serious. No one with any regard for the general welfare will stand in the way of a sound and practical plan for remedying that situation. But regardless of how urgent the political necessity may be, no true friend of the farmer will be a party to anything which will in all probability fail to accomplish the desired results, or cause actual harm.

This is a time for clear, careful thinking, and well calculated action—not hasty stabs and jabs that can but prove futile, and generate false hopes. It is a time for the courageous expression of honest convictions. The steady hand of conservatism must once more temper the impetuosity of those who might wreck the ship in their well intended efforts to save it. There is a way out, just as there always was; and it will be found, just as it always has been. But America is not yet ready for paternalism or socialism.

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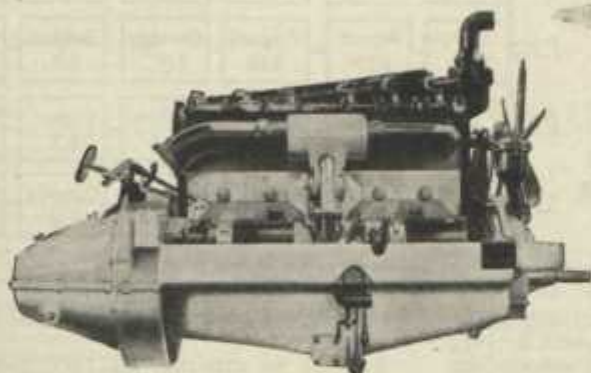
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2.2%

1.9%

Chart prepared by L. L. Denison, Statistician, Foreign Commerce Department, Chamber of Commerce of the United States

LAST year we sold more than 4 billion dollars' worth of American merchandise to foreign countries—just about 9 per cent bigger business than in the preceding year 1922. At the same time we imported nearly 4 billion dollars' worth of tropical foodstuffs, raw materials to keep our manufacturing industry busy, and manufactured articles. In fact, our balance sheet showed that we sold just about 376 million dollars more goods than we bought.

While both our export trade and our import trade consist of more than two thousand different commodities—foodstuffs, raw materials, and manufactured goods—20 items, the 10 leading exports and the 10 leading imports, alone make up almost half of our total foreign commerce.

What are these 20 commodities which hold such a preponderant place in our overseas trade? The accompanying chart lists them in the order of importance by value and shows the 5 chief sources of supply and the 5 best markets for each, with their total values expressed in millions of dollars. Thus, the value of the imports of raw silk, our chief import, in 1923 was 392 million dollars, and the value of that coming from Japan, our chief supplier of this import was 276 million dollars. The relation each item bears to the total value of our imports or exports is indicated by the percentages.

Comparison of our foreign trade for the year 1923 with that of 1922 shows many very striking gains as well as a few heavy losses. Many lines of exports bettered their 1922 records, metals, machinery, automobiles, petroleum, coal, lumber, chemicals, meats and fruits being foremost in the increases. The value story of the 10 leading exports is as follows:

Exports of raw cotton were 20 per cent higher in value than in 1922. Coal and coke

shipments show a gain of 74 per cent, partly discounted by the decreased exports in 1922 owing to the strike. Exports of automobiles and parts increased 69 per cent, leaf tobacco 12 per cent, gasoline and other light products 9 per cent, lard 42 per cent, but wheat declined 44 per cent. Flour exports, however, made a gain of 3 per cent. Refined copper went up 24 per cent and lumber 41 per cent.

All Chief Imports Rise

THE VALUE of every one of the 10 chief import commodities represented in the chart was substantially higher in 1923 than in 1922. Raw silk imports increased 7 per cent, sugar 51 per cent, coffee 18 per cent, rubber 82 per cent, raw wool 50 per cent, hides and skins 11 per cent, newsprint paper 36 per cent, furs 27 per cent, wood pulp 18 per cent, and burlaps 36 per cent.

Some severe decreases also occurred. Linseed oil imports were off 61 per cent, tin ore 55 per cent, coal and coke 55 per cent, walnuts 38 per cent, meats 34 per cent, cosmetics 28 per cent, wheat 26 per cent, crude petroleum 23 per cent, coconut oil 21 per cent.

Several new high records in quantities were established in 1923 among both our exports and imports. The greatest quantity of mineral oils, 3,987,000,000 gallons, ever exported from the United States was shipped overseas in 1923, breaking the 1920 record by 888 million gallons. Exports of gasoline and other light products of distillation amounted to 846,000,000 gallons in 1923, or 205,000,000 more than the previous record of 1920. Shipments of gas and fuel oil were 1,229,000,000 gallons last year, 28,000,000 higher than the high mark of 1918. Exports of crude petroleum in 1923 reached 717,000,000 gallons, nearly 300 million gallons better than the 1922 figure. Lard shipments went over the billion mark, at 1,035,000,000 pounds against

the next best record of 869,000,000 pounds made in 1921.

In 1915 we exported 2,177,000 barrels of apples, the record until 1923 when shipments of 4,671,000 boxes and 1,402,000 barrels were made, one barrel equaling 3 boxes. The heavy exports of logs and timber in 1923, amounting to 751,880,000 board feet, bested the 1912 shipments by 87,365,000 board feet. The 79,000 tons of bauxite ore and concentrates exported in 1923 were more than three times the previous record shipments of 22,000 tons made in 1920.

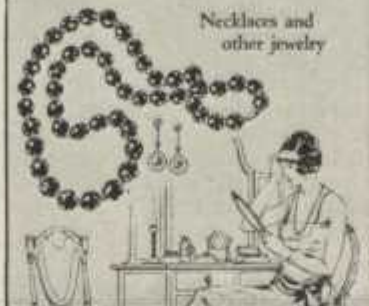
Imports, too, had their day in the record-breaking year 1923. We imported in 1923 the greatest amount of coffee ever brought into this country, 1,408,000,000 pounds, or 67 million pounds more than the amount received in 1921. The 1919 record imports of 391,000,000 pounds of cocoa fell below the 1923 imports of 414,000,000 pounds. Crude rubber imports in 1923 totaled 692,000,000 pounds, or 18 million pounds greater than the 1922 receipts. The 1923 imports of newsprint paper of 2,618,000,000 pounds topped the 1922 record of 2,059,000,000 pounds. We brought in more than three times the amount of gasoline and other light products imported in 1922, or 191,000,000 gallons.

Iron ore imports totaled 2,768,000 tons, as compared with the 1913 high mark of 2,595,000 tons. The 1,959,000,000 board feet of lumber imported in 1923 was 406 million feet greater than the 1922 figures. A greater amount of carpets and rugs was imported in 1923, than in any other year—2,671,000 square yards as compared with the previous record of 2,028,000 square yards made in 1922. Receipts of shellac last year of 38 million pounds were 7 million pounds greater than the 1916 imports. Other record imports were made by palm oil, Chinese wood oil, coconut meat, and unmanufactured asbestos.

BAKELITE

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Radio panels
and partsNecklaces and
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grinding wheels

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Ash receivers
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Automobile lock parts
Billiard balls
Bookkeeping machine parts
Bowling balls
Brake linings
Brush-holder insulation
Buttons
Cable terminals
Calendar frames
Camera cases
Candlesticks
Cane handles
Carbon brushes
Castanets
Casters
Check protector parts
Cigar and cigarette holders
Clock cases
Clutch facings
Commutators
Condenser cases
Containers for liquids
Crank handles
Dash pots
Dental lamps
Distributor heads (ignition)
Door handles and knobs
Earrings
Electric drill parts
Electric piano controls
Electric sign parts
Fan bases
Fire extinguisher shells
Fishing reels
Fountain pens
Fuse blocks
Gasoline tank caps
Gear shift balls
Gears; camshaft, oil and pump,
for automobiles
Goggles
Gun butt plates
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Ignition coil cases
Ignition insulation
Ignition timers
Instrument boards
Instrument cases
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Magnet gears
Mandolin keys and bridges
Mechanical games
Mechanical piano parts
Meter covers and bases
Motion picture machine parts
Music roll ends
Necklaces
Ozonizing apparatus
Paper weights
Pen handles
Pencil barrels
Pendants
Percolator handles
Phonograph motor parts
Phonograph records
Photographic trays
Piano keys
Pipe stems
Pistol grips
Plugs (attachment)
Pool triangles
Radiator caps
Radio dials, variometers, condenser ends, knobs, tube sockets, etc.
Radio panels
Rheostat bases
Sound intensifiers
Spark intensifiers
Spark plug covers
Speedometer parts
Spools
Spraying nozzles
Strain insulators
Strap hangers
Supports (bus bar)
Surgical instruments
Switch bases
Switchboards
Teething rings
Telephone sets
Third rail insulation
Thumb nuts
Toilet seats
Transformer parts
Type keys, shuttles and wheels
Typewriter parts
Vacuum cleaner parts

Distributor heads
and radiator capsPercolator
handles

Smokers' articles



Lamp sockets



The Federal Trade Commission

An Opinion by the United States Supreme Court

(Quoted from the Decision in Federal Trade Commission vs. American Tobacco Company, et al., the Italics Being the Editor's)

THESE are two petitions for writs of mandamus to the respective corporations respondent, manufacturers and sellers of tobacco, brought by the Federal Trade Commission under the Act of September 26, 1914, and in alleged pursuance of a resolution of the Senate passed on August 9, 1921. The purpose of the petitions is to require production of records, contracts, memoranda and correspondence for inspection and making copies. They were denied by the District Court.

The resolution directs the commission to investigate the tobacco situation as to domestic and export trade with particular reference to market price to producers, etc. The Act directs the commission to prevent the use of unfair methods of competition in commerce and provides for a complaint by the commission, a hearing and a report, with an order to desist if it deems the use of a prohibited method proved. Section 5.

By section 6 the commission shall have power (a) to gather information concerning, and to investigate the business, conduct, practices and management of any corporation engaged in commerce, except banks and common carriers, and its relation to other corporations and individuals; (b) to require reports and answers under oath to specific questions, furnishing the commission such information as it may require on the above subjects; (d) upon the direction of the President or either House of Congress to investigate and report the facts as to alleged violation of the Anti-trust Acts.

By section 9 for the purposes of this Act the commission shall at all reasonable times have access to, for the purposes of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against and shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. In case of disobedience an order may be obtained from a District Court.

Upon application of the Attorney General the District Courts are given jurisdiction to issue writs of mandamus to require compliance with the Act or any order of the commission made in pursuance thereof. The petitions are filed under this clause and the question is whether orders of the commission to allow inspection and copies of the documents and correspondence referred to were authorized by the Act.

The petitions allege that complaints have been filed with the commission charging the respondents severally with unfair competition by regulating the prices at which their commodities should be resold, set forth the Senate resolution, and the resolutions of the commission to conduct an investigation under the authority of sections 5 and 6 (a), and in pur-

suance of the Senate resolution, and for the further purpose of gathering and compiling information concerning the business, conduct and practices, etc., of each of the respondent companies.

There are the necessary formal allegations and a prayer that unless the accounts, books, records, documents, memoranda, contracts, papers and correspondence of the respondents are immediately submitted for inspection and examination and for the purpose of making copies thereof, a mandamus issue requiring, in the case of the American Tobacco Company,

those of a railroad company now may be.

Anyone who respects the spirit as well as the letter of the Fourth Amendment would be loath to believe that Congress intended to authorize one of its subordinate agencies to sweep all our traditions into the fire, and to direct fishing expeditions into private papers on the possibility that they may disclose evidence of crime. We do not discuss the question whether it could do so if it tried, as nothing short of the most explicit language would induce us to attribute to Congress that intent.

The interruption of business, the possible revelation of trade secrets, and the expense that compliance with the commission's wholesale demand would cause are the least considerations. It is contrary to the first principles of justice to allow a search through all the respondents' records, relevant or irrelevant, in the hope that something will turn up.

The right of access given by the statute is to documentary evidence—not to all documents, but to such documents as are evidence. The analogies of the law do not allow the party wanting evidence to call for all documents in order to see if they do not contain it. Some ground must be shown for supposing that the documents called for do contain it.

The demand was not only general but extended to the records and correspondence concerning business done wholly within the State. This is made a distinct ground of objection. We assume for present purposes that even some part of the presumably large mass of papers relating only to

intrastate business may be so connected with charges of unfair competition in interstate matters as to be relevant, but that possibility does not warrant a demand for the whole. For all that appears the corporations would have been willing to produce such papers as they conceived to be relevant to the matter in hand. If their judgment upon that matter was not final, at least some evidence must be offered to show that it was wrong. No such evidence is shown.

We have considered this case on the general claim of authority put forward by the commission. The argument for the Government attaches some force to the investigations and proceedings upon which the commission had entered. The investigations and complaints seem to have been only on hearsay or suspicion—but even if they were induced by substantial evidence under oath the rudimentary principles of justice that we have laid down would apply. We cannot attribute to Congress an intent to defy the Fourth Amendment or even to come so near to doing so as to raise a serious question of constitutional law.

A Comment on the Supreme Court

By the Federal Trade Commission

(From its annual report for 1923)

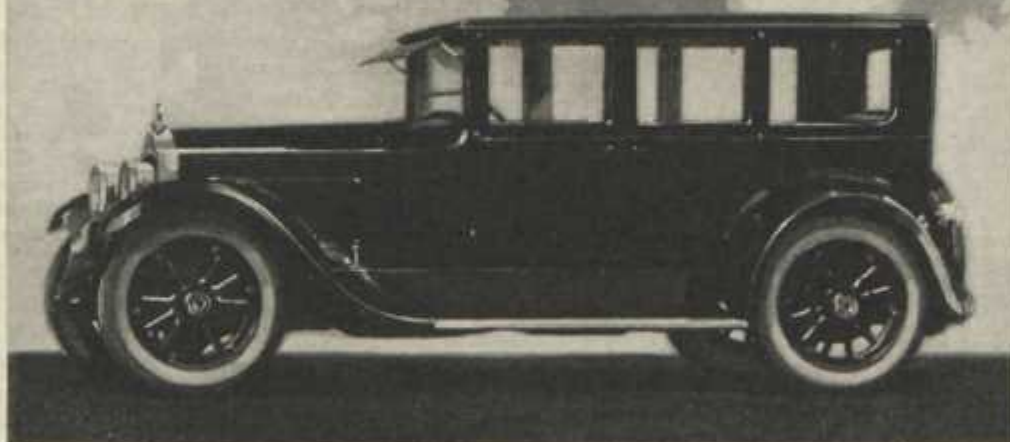
IN ANOTHER group of cases the courts have denied the power and authority of the commission to enforce the cessation of practices which had been found by the commission to be unfair methods of competition or to violate the provisions of the Clayton Act. The first denial of the power of the commission was in the Gratz case, wherein the Supreme Court of the United States, in defining the term "unfair methods of competition," stated that it was clearly inapplicable to practices never heretofore regarded as opposed to good morals or against public policy, and thereby tended to restrict the jurisdiction of the commission to precedents established under common law and judicial decisions. This would seem adversely to affect the ready development of the law of business practices under the commission's rulings as reviewed by the courts. In the same case a second denial is found when the court attached to the commission's procedure a rule of pleading comparable in its strictness to that governing a criminal indictment.

the exhibition during business hours when the commission's agents requests it, of all letters and telegrams received by the company from, or sent by it to all its jobber customers, between January 1, 1921, to December 31, 1921, inclusive.

In the case of the P. Lorillard Company the same requirement is made and also all letters, telegrams or reports from or to its salesmen, or from or to all tobacco jobbers' or wholesale grocers' associations, all contracts or arrangements with such associations, and correspondence and agreements with a list of corporations named.

The Senate resolution may be laid on one side as it is not based on any alleged violation of the Anti-trust Acts, within the requirement of section 6 (d) of the Act. The complaints, as to which the commission refused definite information to the respondents, and one at least of which, we understand, has been dismissed, also may be disregarded for the moment, since the commission claims an unlimited right of access to the respondents' papers with reference to the possible existence of prac-

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Shown above is the Packard Six Five-Passenger Sedan. Packard Six furnished in eleven popular body types, open and enclosed



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Roanoke Now Gets This New Hotel

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Their New Hotel will cost approximately \$1,000,000, but in one week's time \$1,128,000 was secured!

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If your city really NEEDS a modern, distinctive Hotel, have your community leaders formed into a Hotel Committee, placing their names on our list "C-5" to receive each month, gratis, a copy of THE HOTEL FINANCIALIST, a journal devoted to community hotel financing. It tells how other cities the country over are meeting THEIR Hotel needs.

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Business at the Annual Council Table

ECONOMIC problems of national and international importance will be discussed by leading American business men at the twelfth annual meeting of the Chamber of Commerce of the United States, at Cleveland, May 6 to 8.

Representative business organizations in every state in the Union have been asked to send delegates to the convention, and an attendance of more than 5,000 business executives is expected.

Discussion at the convention will center around three major topics, "Business and Agriculture," "European Readjustment," and "The Responsibility and Integrity of Business."

These subjects come before the general sessions, while the group sessions of the convention will deal with problems of particular importance to the industries and interests within the group. These group sessions will represent a cross-section of American business.

A distinguished company of speakers will address the different meetings. The list of speakers includes such names as: Sir Esme Howard, British Ambassador at Washington; Secretary of Commerce Hoover, Secretary of the Navy Wilbur, Julius H. Barnes, president of the National Chamber; Frank O. Lowden, former governor of Illinois.

An invitation has been extended by the Chamber to General Charles G. Dawes, Owen D. Young and Henry M. Robinson, the American members of the expert committee who have just completed their reparation report, to attend the general session which will take up the questions of "European Readjustment." This phase of the program promises to be one of the most interesting features of the meeting.

Julius H. Barnes, president of the Chamber, thus outlines the reasons which underlie the choice of subjects for the meeting:

European Readjustment

"**E**UROPEAN readjustment which accomplishes financial and political stability will mark the resumption of advancing living standards on the part of the three hundred million people of Europe, whose social progress has been obstructed for ten years by war, and the resultant indeterminate peace. There is a great significance to America, with its process in attained leadership in industrial methods in reaching that stability which will revive the individual earning power in Europe, expand the currents of trade and commerce, once more establish the merchant, the importer and the exporter, on a scale which a vast world trade will justify. This promises something to both agriculture and to the processes of industry in America.

Business and Agriculture

"**I**T IS often said that there is a real interdependence between business and agriculture. Successful business rests on ascertaining and using accurate information. There has been built up in recent months a tradition of general agricultural distress in this country which is misleading. It must be recognized that only certain sections of agriculture are suffering, and when we understand the reasons from which they suffer we may then intelligently plan to help develop remedies.

"The great security of American agriculture is its home market. Business and agriculture must work together to maintain the full buying power of that home market. Business and agriculture must work together to rebuild the buying power of Europe's three hundred million people, to reestablish financial and political stability, to help stabilize cur-

rencies which carry by their very fluctuation a measure of deception in real value to their own home growers, and make thus unfair competition for the products of our own farms. Business and agriculture must understand the service of the unique American system of future trading on commodity exchanges, and if this has been a great factor in maintaining the prices of wheat and corn above the world basis, then to preserve and develop this security. Business does bear a responsibility towards agriculture, but its chief responsibility is that out of its dearly bought experience it shall labor to make remedies sound and effective and, by logic and evidence, substitute those slower but surer remedies for the courses now proposed which would inevitably react to the destruction of agriculture itself.

The Responsibility and Integrity of Business

"**A**MERICAN business standards today condemn practices of undue influence in the securing of trade, and American business will unhesitatingly condemn anything which savors of undue influence in the conduct of industry, or in the relations of government and industry.

"But American business has learned to be fair and restrained as well, and guilt must be ascertained by the orderly processes which protect the unjustly accused innocent. Business will not condemn solely on the unproven charges of malice and slander alone. The history of business standards and business practices for the last generation is one of constant advance, and the record of business year by year justifies increasing confidence and securely based pride in the character and the accomplishments of business.

The headquarters of the Chamber will be at the Statler Hotel, and the meetings will be held as follows:

Tuesday, May 6

- 10:30 a. m.—General Session, Loew's State Theater.
- 1:00 p. m.—Group Luncheon Meetings
Domestic Distribution, Ball Room, Hollenden Hotel
Fabricated Production, Chamber of Commerce Luncheon Room
Finance, Banking Room, Union Trust Company
Transportation and Communication, Ball Room, Statler Hotel
- 8:00 p. m.—General Session, Public Auditorium

Wednesday, May 7

- 8:00 a. m.—Breakfast, Ball Room, Statler Hotel. The Presidents and Secretaries of Organization Members of the National Chamber will be the guests of President Julius H. Barnes.
- 10:00 a. m.—General Session, Loew's State Theater.
- 1:00 p. m.—Group Luncheon Meetings
Civic Development, Ball Room, Winton Hotel
Foreign Commerce, Chamber of Commerce Luncheon Room
Insurance, Ball Room, Cleveland Hotel
Natural Resources Production, Ball Room, Hollenden Hotel
Transportation and Communication, Ball Room, Statler Hotel
- 6:00 p. m.—Secretaries' Meetings
National Association of Commercial Organization Secretaries, Rainbow Room, Winton Hotel
American Trade Association Executives, Rose Room, Cleveland Hotel
- 8:00 p. m.—General Session, Public Auditorium

Thursday, May 8

- 10:00 a. m.—General Session, Keith's Palace Theater
- 2:30 p. m.—General Session, Public Auditorium



WindoWall Figures F.O.B. Your Desk

Your desk—that's the delivery point for steel window figures the minute you call for bids. You're ready to go ahead with that new building. You want action and you want it quick. You haven't time to wait for estimates "delayed in transit" from somebody's home office miles away.

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Every Fenestra office—and they now cover the country—is, in point of service, a main office, assuming any one or all of these five-fold responsibilities: (1) Layout, (2) Estimating; (3) Detailing; (4) Delivery; (5) Erection. Proof of the value of this complete service will be found in the fact that hundreds of contracts were placed with Fenestra, even at a preference, during 1923.

Experience has shown many owners, architects and contractors that service of this kind is something that cannot be bought through dollars and cents competition.

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Molloy Made Covers will stand the roughest usage, preserving and outlasting the usefulness of pages in the books. They are made for loose leaf or bound catalogs, sales manuals, dealers, books, salesmen's books, etc.

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How Our Workers Save Money

By **CARL A. DUFFNER**

President, The Domestic Electric Company, Cleveland, Ohio

MY ENTIRE business philosophy is so deeply founded upon my particular personal experiences that at the very outset I must sketch for you a few of the incidents of my early life.

I made my entrance into the industrial field as an errand boy in a factory at a daily wage of 65 cents. At the end of six years my pay had been elevated to \$2.75 per day, and I had a job on a machine. At that time \$2.75 was a great deal of money for a boy of my age to have. I was unsettled and prey to all the desires and the temptations to spend money that beset all young men.

But I had a younger sister, and as is very, very often the case with the youngest child, there was a strong bond between my sister and our mother. My sister expressed a wish for a ring as a graduation gift, and of course my mother felt that she should have it. My mother appealed to me with, "Carl, see if you can save enough to get that ring for Grace."

So I began and finally succeeded in accumulating the necessary amount to get that ring. I was very proud of it, and the price, \$60.00, seemed so inconsistent with my \$2.75 per day, it was hard to realize. Yet I had purchased the ring, for there it was.

My sister was taking piano lessons, and so mother felt that sister should have a new piano. Remembering where she had met with success before, she appealed to me again.

"Carl," she said, "we simply must get sister a new piano. It will be easy enough for you to save enough out of your wages to get one."

What Habit May Mean

APIANO! Impossible, I thought. Yet I heaved a sigh and started in. It was expected of me, and that faith in me aroused a spark of confidence in my own breast, though the task seemed to me a stupendous one. Eventually sister got the piano, and it was a good one, too. It is still in use. When I looked at that piano, I was nearly consumed with pride.

Do not get the idea that I was in any way an unusual boy, for I longed to do as the other boys did with their money—put it into slot machines, engage in crap games, etc., etc., but I had simply been fortunate in being directed early along different lines. I had experienced the thrill of accomplishment, of gaining the seemingly impossible. I had begun to build my self-respect.

The habit of accomplishment, through my experience with the ring and the piano, had now become a part of me, moulded into my character, a lesson never to be forgotten. Thus I had very fortunately, simply through coincidence, learned early in life the possibilities of placing before me some large, future objective, instead of a small, temporary one.

I went right on setting aside a large part of my pay for something big. I couldn't afford to lay off, like the rest of the boys, whenever I felt like it. Every lay-off meant a delay in getting the particular thing I was saving for.

But it wasn't until years later that I realized how much of my success I owed to that early training imposed upon me by my mother—the buying of that ring and piano.

And it was a long time before I understood that one of the main reasons why the average worker fails to go after the big things, and spends so much of his income upon whatever momentarily catches his eye, is because

the average worker doesn't dream that it is possible for him to get the big things. He has not experienced the thrill of accomplishment. Tell him that he could pay cash for a three-hundred-dollar set of furniture and he would laugh at you. As if he could ever get that much money together! He does not understand the principle, the mechanics, of the thing. He simply will not believe that he, himself, can ever accumulate large purchasing power. He wants the big things in life, but the prospect of actually getting them seems to him like a fairy tale. He does not know that these things are gotten by a slow process, a systematic determination.

So, in his hopeless, aimless way, he goes on spending for the things within his immediate means. And it is this constant purchasing by the workers of this country of things that they do not need that I call our "national overhead."

We have over five hundred employees in our plant, and I have studied them carefully. I saw girls in the shop buying sixty-dollar summer furs. I watched married men putting one-third of their incomes into slot machines, cards, entertainment—or buying an amazing lot of articles which had practically no actual value and which filled no real need. I carried notes in my desk—and am carrying some today—of men who used to work alongside of me in my shop days, men who "go broke" chronically and come to me to borrow money to "tide them over."

These men, and the boys and girls in my shop, failed utterly to realize that by letting the little things go, and saving what they ordinarily spent on incidental, unnecessary objects, they could get the big things. It wasn't that they were deliberately thrifless. I think few people really are deliberately thrifless. They do not understand. They live forever in hope—the vain hope that through some fortunate turn of circumstances they will suddenly be possessed of unlimited means. And so they went right on contributing to the great national overhead.

More and more, as I watched the workers in my own shop, I was impressed with the soundness of the principle upon which I gained my start—the arousing of the self-respect of the worker through accomplishment, his own accomplishment, his own self-denial. The trouble with most workers is that they never had to buy a piano or a ring!

About a year and a half ago, when I was casting around in my mind for some means to help the boys and girls in my own shop to learn how to get the big things—to get full value for the money they earn—a Cleveland bank, The Union Trust Company, came to me with the proposition that I install an industrial savings system, the "Save at the Shop" plan, in my factory.

The plan is one whereby the bank is practically brought right inside the plant. It is purely a voluntary system, it being optional with the worker himself whether or not he wishes to enroll. If he desires, he tells the paymaster how much he or she wants to save out of each pay. The paymaster accordingly sets aside this amount out of the worker's pay envelope, enclosing in its place a duplicate deposit ticket for the amount set aside. The original deposit tickets are totaled and sent to the bank, together with a Domestic Electric Company check for the proper amount and

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MANY of the newer of the country's first-class hotels give you some of these things; but, so far as we know, the Statlers are still unique in offering all of them:

Every—every—room in these hotels has a private bath, circulating ice-water, full-length mirror, completely-equipped writing desk, reading-lamp on bed-head or portable reading-lamp, desk-lamp, pincushion (with threaded needles, buttons, etc.), besides the more usual conveniences.

A morning paper is delivered free to every guest room.

Everything sold at the news stands—cigars, cigarettes, tobaccos, newspapers, etc.—is sold at prevailing street or street-store prices. You pay no more here than elsewhere.

In each hotel is a cafeteria, or a lunch-counter, or both—in addition to its other excellent restaurants. Club breakfasts—good club breakfasts—are served in all the hotels.

Each hotel maintains a large and well-selected library; you may withdraw books and keep them as long as you

remain in the hotel, without charge.

The rate of every room is shown by a printed, framed card, permanently attached to the wall of that room. You know that you pay no more, no less for that room than do other guests.

And the Rates

Though every room has private bath and running ice-water, Statler rates are no higher than those of other first-class hotels—which means that they give you *extra values, whatever the rate*. These hotels are well-balanced, too; more than 82% of all rooms in Hotels Statler are \$5 or less, as are also more than 55% of all those in Hotel Pennsylvania.

Guarantee of Statler Service

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if the positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy you; and that if he can't satisfy you he will immediately take you to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become

a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of more than 6,000 employees, and there is no need that I should do so; but when our promises aren't kept I want to know it.

My permanent address is Executive Offices, Hotels Statler Co., Inc., Buffalo.

E. M. Statler

HOTELS STATLER

BUFFALO: 1200 rooms, 1200 baths. Niagara Square. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo; and the old Iroquois Hotel is closed, not to reopen.
CLEVELAND: 1000 rooms, 1000 baths. Euclid, at E. 12th.
DETROIT: 1000 rooms, 1000 baths. Grand Circus Park.
ST. LOUIS: 650 rooms, 650 baths. Ninth and Washington.
BOSTON: Now preparing to build at Columbus Ave., Providence and Arlington Sts.

STATLER

and Statler-operated

HOTELS

Hotel Pennsylvania New York

The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Railway Terminal. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

Every room has private bath and running ice-water; in every room is posted its rate, printed in plain figures.

Your debtor himself will recommend the United of Louisville

The dealer who owes you an overdue account owes others. Troubles never come singly. He is harassed, pulled and pressed in many directions. This increases his difficulties, it delays action satisfactory to any concerned.

Contact with this organization has convinced him that our methods are helpful in his extremity

From the more than four thousand national distributors who regularly place their overdue accounts with us will come simultaneously many claims against a single debtor. That places practically *all* of his troubles in one hand. It enables us to eliminate the harassing and co-ordinate the pulls, to help him intelligently plan his reconstruction and get him on a paying basis in quicker time—and the whole effort is directed by a District Manager familiar with business conditions in the debtor's territory.

That's constructive collection service. It gets your debtor "out from under" and back into the active dealer class, a wiser merchant, with whom you can resume credit relations with greater safety. That's why your debtor will himself recommend the United of Louisville.

We believe that procedure of this kind will appeal to your business judgment and secure for us the opportunity of demonstrating its effectiveness for you. Let's start today.

UNITED MERCANTILE AGENCIES

Louisville, Kentucky

United Building

Collectors for Manufacturers
and National Distributors



at the bank each deposit is credited to its own account, so that each worker adopting the plan has his own individual bankbook. The bank has the signature card of the depositor, and he may withdraw at any time.

This "Save at the Shop" plan seemed to me to be exactly what I had been looking for, and it was installed forthwith.

I began by urging the shop foremen to adopt the plan, as an example to the others. Before long these foremen became the most enthusiastic boosters for the "Save at the Shop" plan. In the beginning we had only a small handful of men, about twenty, enrolled. By dint of hard work the number of men enrolled was gradually increased until today more than 80 per cent of our people are saving regularly through this system.

The results are truly amazing. Our people are saving "real money." And they are getting the big things; they are experiencing the thrill of accomplishment; they are gaining self-respect; they are gaining the respect of others. The seed of success has been sown.

Of course, I do not inquire as to what they do with the money they save. That is their business. But some of them tell me—and I cannot help overhearing incidents that are extremely significant. Take the case of one man:

At the time the "Save at the Shop" plan was installed in our plant, he hadn't a cent except what he happened to have left from his last pay. He was prevailed upon to enroll, and eventually he had enough to make the down payment on a home. He saved at the shop. He has experienced the thrill of accomplishment. He is beginning to respect his own ability, and he has the respect of his community.

Automobiles, homes, phonographs, new furniture, vacation trips—these are some of the things that the boys and girls in my plant are buying with the money they save. And once sold on the saving idea they stay sold.

One of my men received \$180 from the Government. He put it into his savings account.

A man and his wife, both of whom are sav-

ing regularly in our plant through the "Save at the Shop" plan, brought down \$50 in cash one pay day and \$65 on another, to deposit to their accounts in addition to their regular savings commitment!

And many of the employees, girls especially, are increasing their weekly commitments. The thing is so easy! They never see the money they save. It represents no temptation as cash. They never have to go to the bank. They don't even have to make out a deposit slip.

Then, too, the "Save at the Shop" plan is free from the suspicion of being welfare work. The worker can use it or not, as he pleases. That is up to him. The company knows how much he deposits each pay day, it is true, but we have no way of knowing how much he leaves on deposit, or what he does with the money he withdraws. The boys and girls feel that the company is not trying to do something for them, but merely making it easy for them to do something for themselves. And that is the thing that counts. When others help us, we do not gain as much as those who help us, but when we help ourselves, we gain a two-fold reward—the thing we are striving for and our own self-respect.

There is no shouting, no prying inspection of the workers, no oppressive superintendence in my plant. We know that the boys and girls in our shop work, work hard and work well. They don't have to be watched. They save at the shop. They are getting somewhere. They are experiencing the thrill of accomplishment. They are not thinking of their jobs, day in and day out, in terms of merely so much work; they are thinking of their jobs in terms of the things they can get as the result of the money they are saving. Their heads are up. They look you right in the eye. They are on time in the morning. They have pep and vim. There are not nearly so many lay-offs as before the installation of the "Save at the Shop" plan.

Perhaps, because of my own personal experience, I am unduly enthusiastic over this plan, but I am judging from what has really happened in the Domestic Electric plant.

Making a Reputation for Quality

By WILLIAM C. LYON

HERE IS an industry that lifted itself by its own bootstraps!

They were straps of iron.

It lifted itself from a policy of "Let the Buyer Beware," in dealing with its customers, to that of placing before them a certified product, carrying with it a guarantee not of the individual producer alone, but of the industry as a whole. The industry is the manufacture of malleable iron. High-grade was being produced by some firms, poorer grades by others. The buyer, caught in the struggle of competition, was tempted by low prices and got poor material. Conscious of the situation, individual firms set out by scientific study and research to improve the quality of their own malleable iron. But they did it independently and the discoveries they made were guarded as trade secrets. There was little definiteness to the physical properties of malleable iron and there were almost as many varieties as there were foundries making it.

The result was that users were driven away from a product which they really needed and undertook to fill its place with less satisfactory material. The malleable iron industry faced the necessity of concerted and in-

telligent action to save, not only its reputation, but its very existence.

About twenty-five leading firms in the industry got together and organized the American Malleable Castings Association. Unlike many associations of industry the organization did not seek buying and marketing facilities which would benefit the coffers of its members. The primary object was standards of quality. This principle was early made evident in the selection of an eminent consulting engineer to carry on the research work of the association.

The association agreed in the beginning that it would seek three primary objects:

It would go the limit in the matter of metallurgical investigation regardless of cost in order to make high-grade and uniform castings.

It would disseminate this scientific knowledge among all its members so that all could make such castings.

It would see that every public statement regarding the process should be conservative and that it should be accompanied by accurate data to substantiate it.

As an early result the veil of mysticism that had woven about the processes of some



**BRANCH
FACTORIES**
that
put it over the
**HOME
PLANT**

The factory here shown can be built in the San Francisco Bay Industrial District at a cost of two dollars a square foot. Climatic advantages are largely responsible for this low cost as well as for a higher labor efficiency.

FROM the first cost of the plant to the production and sale of the completed article, it is usual for branch plants in the great San Francisco Bay Industrial District to "beat the daylight" out of the old folks at home.

That may be why new factories are established here every working day in the year, and find themselves face to face with this growing market of nine million prosperous people, instead of trying to sell to them through the back door.

These husky children of eastern manufacturing concerns are a great comfort to their parents, especially when business elsewhere is slack, as it sometimes is. Here business is good and getting better right straight along. In the San Francisco

Bay District alone is a market of a million people, living better than any similar group in America, within reach of delivery trucks, and the nine contiguous counties include one-third of the population and nearly one-third of the wealth of all California.

Whatever your present market may be, it is possible that this growing market would do you some good. Californians Inc., a non-profit organization of citizens and institutions interested in the sound development of the State, is now prepared to make you a report covering conditions in your own business and applying to your own plant. This report will be wholly disinterested and authentic. We desire only such new industries as can profitably locate here in the natural and actual focus of this entire territory. Write to us if you are interested. Address:

Have your secretary fill in and mail this coupon

Californians Inc.



Headquarters
SAN FRANCISCO

140 MONTGOMERY ST., ROOM 803

Send me specific information about my opportunities in the San Francisco Bay Industrial District.

NAME _____

ADDRESS _____

FIRM NAME _____

Our product is _____

When writing to CALIFORNIANS, INCORPORATED, please mention the Nation's Business

P-A-X

TRADE MARK

PRIVATE AUTOMATIC EXCHANGE

Saves Time and Money for Nearly 2000 Organizations

Quick, accurate and convenient intercommunication service for nearly 2000 dominant business organizations—that's the daily record of the P-A-X.

By co-ordinating all individuals and departments, the P-A-X eliminates needless errors, delays and duplication of efforts.

Being automatic, the P-A-X saves an average of 18 seconds on every call and is ready to give service at any hour of the day.

By supplanting manual operators and equipment, the P-A-X reduces expenses and pays for itself in a short time.

The P-A-X is similar to the Automatic Telephone equipment being so widely adopted for city service. It augments and completes, but neither supplants nor connects with local or long distance telephone service.

Its automatic electric services include and co-ordinate interior telephony, code call, conference, emergency alarms and all other intercommunication needs.

Specifications will be found in Sweet's Catalogue. Our illustrated book, "The Straight Line," contains other interesting facts. Write for your copy.

Automatic Electric Company

ENGINEERS, DESIGNERS & MANUFACTURERS OF THE AUTOMATIC TELEPHONE IN USE THE WORLD OVER
HOME OFFICE AND FACTORY: CHICAGO, U. S. A.

Branch Offices
NEW YORK, 21 E. 40th Street
CLEVELAND, Cuyahoga Bldg.
Representatives in All Principal Cities

Abroad—Address
International Automatic Telephone
Co., Ltd., Norfolk House, Norfolk
St., Strand, London, W. C. 2,
England.

In Canada—Address
Northern Electric Co., Ltd., 121
Shearer Street, Montreal, P. Q.

In Australia—Address
Automatic Telephones, Ltd., Men-
des Chambers, Castlereagh St.,
Sydney, Australia.



Promote



Herbert Hoover, through the Division of Simplified Practice, Department of Commerce urging Industry to eliminate waste.

Waste of man power, on work that can better be done by Material Handling Equipment, is one of the wastes that Department of Commerce is endeavoring to save.



JEFFREY

labor to more productive work

through Jeffrey Material Handling Methods

WHEN the superintendent gives a workman his order to report on a more productive job (because Material Handling Equipment has promoted him from his old one) two parties directly benefit.

The company makes the best use of the labor it employs; makes the dollars invested in labor yield a high dividend; forestalls labor shortage in its plant; and paves the way toward greater production.

The workman is relieved of laborious, menial tasks, and—with increased plant production—is given opportunity for more remunerative, more congenial employment, where he can be of greater value to himself and his employer.

Many of the largest industrial plants are benefitting themselves and their workmen by using Jeffrey Conveyors, Elevators, Portable Loaders, Chains, Coal and Ashes Handling Machinery, Crushers, Pulverizers, etc.

Jeffrey Engineers gladly will cooperate with you in studying your needs and recommending the simplest, most economical material handling system for your plant. Communicate with the Jeffrey representative nearest to you.

The Jeffrey Mfg. Company

Mining and Material Handling Equipment

COLUMBUS, OHIO

NEW YORK
PHILADELPHIA
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DENVER

CLEVELAND
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MONTREAL
BOSTON
MILWAUKEE

LOS ANGELES
CHARLESTON, W. VA.
CINCINNATI
SCRANTON, PA.

MATERIAL HANDLING EQUIPMENT

INDUSTRIAL POWER

FROM A TO Z

(Automobiles to Zinc)



STEEL is an industry which we have served extensively. The plant here illustrated is a 3600 h.p. boiler house including a 300 foot trestle, a coal tower and a 60 ton bunker for the Bethlehem Steel Company at its Lehigh plant in South Bethlehem, Pa. The building is steel frame and brick construction with a tile roof.

Whatever your power problem you will probably find examples suggesting a satisfactory solution among the wide variety of types and sizes of stations which we have designed and built, totaling more than one and three-quarter million horse power.

One of the many reasons for our success in industrial power construction is our ability to combine our broad general experience with your specific experience to produce a type of installation exactly adapted to your requirements.

STONE & WEBSTER

INCORPORATED



NEW YORK, 120 Broadway
SAN FRANCISCO, Holbrook Bldg.

CHICAGO, 38 S. Dearborn Street
PHILADELPHIA, Real Estate Trust Bldg.

BOSTON, 147 Milk Street

Conventions

Good and Bad

By D. A. SKINNER

Secretary, Chamber of Commerce of the United States

TIME was when the attitude of the average chamber of commerce secretary towards conventions was much like that of the drunkard towards whiskey:

"There is no bad whiskey; just some whiskey is better than other."

There were no bad conventions. Any convention was good to have, and almost any means of getting it were justified.

If the Amalgamated Order of Irresponsible Idiots were to have an annual gathering, then the secretary of the Tuscarora Chamber ought to be prepared to turn the town over to them plus a substantial bonus. Did the National Association of Manufacturers of Peanut Shellers propose to meet to discuss questions affecting their industry, then rival cities would bid against each other for the pleasure of entertaining them.

Little attention was given to the character of the meeting. Size did count. A convention of 100 men was good, but a convention of a thousand was ten times as good. The arguments were obvious and easy to understand. Conventions brought folks to town, and they spent money, and money was a good thing.

As Things Used to Be

MORE than that, conventions advertised the city. Mr. Smith left his own Main Street for another and perhaps a bigger Main Street, spent three days communing with his fellows at meetings and dinners and in hotel rooms, and went home to spread the glories of the Main Street he had just visited. That was the theory. As a matter of fact, he did no such thing. His impressions might be favorable or unfavorable; but whatever they were, he probably didn't spread them much. He went home with an impression of the men he met and the things he heard, not of where he met them or heard them.

Much money was wasted in bidding for conventions. Much is still being wasted, but a change has come over the attitude of communities and commercial bodies towards conventions. Cities found that there were conventions *and* conventions. Some were really worth having, some were neither an asset nor a liability, while there were a few that were a loss.

In this last class were conventions which brought into a city a distinctly rowdy element, conventions which demanded large funds for entertainment but did not, after all, spend much of their own money.

As to spending power, there are obvious differences. Plumbers, eminently desirable visitors as they are, probably do not spend as much as bankers. And it is quite possible that school teachers might spend more than bankers.

With the discovery that it was unwise for a city to go after any and all conventions came a feeling that methods of attracting conventions needed overhauling. This feeling began to crystallize with the formation some ten years ago of the Association—now the International Association—of Convention Bureaus, made up of men who handled conventions for chambers of commerce or who headed the convention bureaus which in some cities operated outside of chambers but were aided by them. These men have made convention

handling a profession and have been of incalculable benefit to the cities they represent.

The main object of these convention bureaus and one purpose which their association set out to accomplish was to substitute for the bidding and bonus-giving a use of the registration-fee system.

By this method each delegate attending a convention is expected to register and to pay a fixed fee, which covers the entertainment features offered in the convention city. The reasons for this are many. Primarily it makes the incoming delegates independent in their relations with the city. It makes it easier for the entertaining city to insist on fair treatment of its visitors.

The Way That Didn't Pay

HERE'S what might happen, and what probably did happen in the old days: A convention which had the reputation of bringing to a city a large number of men who spent freely would be approached by a number of cities for the privilege of entertaining it. There would be really competitive bidding, reaching at times to \$50,000 or more. In cases of big fraternal conventions the sum might be far in advance of this. Hotel-keepers, business men, bootblacks—every person who might be expected to pick up an extra dollar from the convention was called upon for a part of that dollar in advance.

One result was that the man who had given a dollar was certain to set out after that dollar as soon as the first visitor struck the railroad station. Complaints that hotels, restaurants and taxi-owners were raising rates were heard on every hand. It was difficult for the chamber of commerce or the convention bureau to keep things in check.

The advertising which was supposed to come to the community took this form:

"Have I ever been in Blankton? I'll say I have. Last year at the convention of the Associated Safety Pin and Steel Vault Manufacturers. And what they did to us was enough and then some. Seven dollars for a room without a bath, and \$1.80 for a steak that could hide behind a string bean.

"They were going to give us a lot, but it was rotten. The vaudeville and smoker was small-time stuff, and the dinner by the local merchants was a mess. Yes, I've been in Blankton, and the best part of that town is the road out." And so on.

Getting His Money's Worth

UNDER the registration-fee system the incoming delegate pays his fee of \$5 or \$10 or \$15 when he registers, gets his coupon book entitling him to the dinners, automobile rides, theater parties, or whatever has been arranged. He is conscious that he is paying his own way, and the hotels and shops where he visits and trades haven't been held up and left with the feeling that their first duty is to get their money back.

In laying out the projects for which the coupon book stands the convention bureau managers seek not only to make the visitor feel that he is paying his own way, but they want him to feel that he is getting his full money's worth and then a little over.

That's where the skillful manager of a convention bureau ought to function. He ought to be a first-rate collective shopper for his visitors, and usually he is. He can, in effect, get reduced rates for his visitors in the way of sight-seeing trips and other entertainment.

But what I have here written seems to lay too much stress on the entertainment side of conventions. That, after all, is only a part of what the convention bureau does for the

WHEN BURNSIDES WERE IN BLOOM



It is generally believed by people who speak flippantly of "sideburns," "sideboards," etc., that burnsides were so named because they cluttered up both sides of their proprietor's countenance.

That hypothesis cannot be supported by a single hair. Burnsides got the name from the gallant General Ambrose E. Burnside, a Civil War hero, who wore that kind of whiskers.

Most of the men who used to think burnsides made them look dashing and dauntless are trying now to keep albums bound in genuine plush from coming to light.

It may be admitted, however, that burnsides were not altogether futile. They reduced shaving areas, which was helpful and important.

When burnsides were in bloom there was nothing for making such lather as we can have now for easy shaving.

COLGATE'S Rapid-Shave Cream

softens the beard at the base—
where the razor's work is done.

Its marvelous effect is almost instantaneous. With plenty of water, hot or cold, it makes a luxurious lather consisting of minute bubbles which emulsify the oily coating upon each hair. Moisture is thus permitted to penetrate and soften the hair.

The result is an easy shave, after which the face is soothed and velvety.



Let us send you a free trial tube containing cream enough for 12 more comfortable shaves than you have ever had. Just fill out and mail the coupon.

COLGATE & CO.
Dept. 354

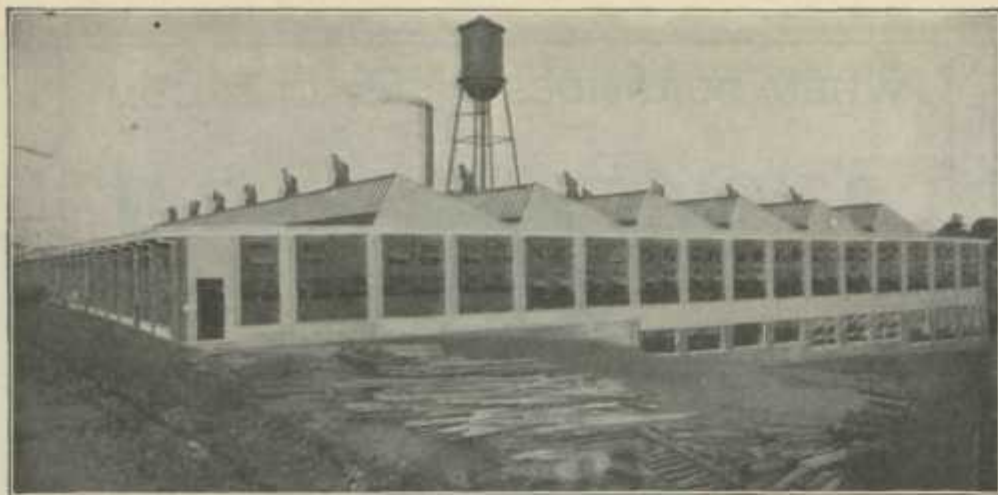
199 Fulton St., New York

Please send me the free trial tube of Colgate's Rapid-Shave Cream, for better, easier shaving.

Name _____

Address _____

State _____



Swartwout Ventilators on saw-tooth roof of Cherokee Spinning Mills. Lockwood, Greene & Co., Engineers

A Vent is not a Ventilator

A HOLE in the roof or an open window does not provide ventilation.

Ordinary workshops require 3,000 cubic feet per person per hour of pure, fresh air; schools require 2,400; hospitals 3,600; public buildings 2,000. These correct air changes cannot be insured unless definite ventilating plans are adopted. You can be sure of adequate ventilation by the intelligent use of Swartwout Rotary Ball Bearing Ventilators.

Swartwout Ventilators provide a continuous suction of air in a steady stream, without back drafts. Exhausted air is drawn upward and outward. Swartwout Ventilators are built of copper or of galvanized, rust-resisting metal over a galvanized frame, and are mounted on ball metal ball bearings. They work day and night—and require neither care nor upkeep.

Swartwout Rotary Ball Bearing Ventilators have been specified for fifteen years by architects and engineers. Thousands of industrial and public buildings are equipped with them. If you have a ventilation problem our engineers will gladly help you solve it. Their advice and the service of our branches and agencies are yours for the asking.

Send for Ventilation Book "The Gospel of Fresh Air"

THE SWARTWOUT COMPANY
18505 Euclid Avenue • Cleveland, Ohio
Factories: Cleveland—Orrville

Swartwout

Rotary Ball Bearing Ventilators



A Swartwout Ventilator—permanently storm, dust and rust proof. Stocks carried in principal cities, including the Pacific Coast.

Other products of The Swartwout Company:

Swartwout Metal Buildings.
Swartwout Industrial Ovens for Japaning, Core Drying, etc.
Swartwout Junior and All-Service Feed Water Heaters.
Swartwout Steam Specialties, including Traps, Strainers, and Steam, Air, Oil and Gas Separators.

convention. It stresses the service it can provide.

Take one thing that convention bureaus, especially in larger cities, can do—handle registration. It is no small task for an organization with 1,000 or more visitors to get them recorded, to provide badges, handle complaints, get out lists, assign delegates to their various meeting places. Convention bureaus have staffs skilled at handling just this work and ready to be at the service of the visitors.

Convention bureaus help in looking after hotel bookings, in stirring attendance by skillfully written letters setting forth the attractions of the convention city and offering their services in making reservations, etc. They plan special entertainments and shopping tours for women visitors; they arrange for stenographic reporting for meetings; they help in looking after publicity. These are only a few of the many important services they render, through which they are seeking to put convention entertainment on a thoroughly business-like basis.

Code of Ethics Issued

THE ASSOCIATION of Convention Bureaus has a seven-clause code of ethics. Four sections deal with their attitude towards conventions; three with their attitude towards each other. The first-named four clauses of the code read like this:

1. The members of the Association of Convention Bureaus shall offer no money in the form of bonuses to aid in securing conventions, and any expense incurred in financing conventions from the funds of convention bureaus shall be contracted and paid for by the bureau itself.
2. Members of this association shall not furnish to conventions or similar bodies, free of charge, the use of any hall or building for an exhibit in which space is sold, or for an attraction to which admission fees are charged, where the proceeds from such space or admissions are not directly applied to the defraying of legitimate convention expenses.
3. Members of the association are unalterably opposed to furnishing the officers or members of associations holding conventions, the free use of guest rooms in hotels or otherwise, and will use their best efforts to discourage this practice on all occasions.
4. A registration-fee system is heartily endorsed by this association, and each member shall strive vigorously to promote its adoption by all associations and organizations holding conventions.

On the New Basis

AND THERE, briefly set forth, is this new attitude towards conventions. Not any convention is good; some are a loss to a city. Most of them are good, provided they come under proper auspices and with a fair understanding that they are welcome visitors, visitors who are to be made much of, but after all, who should be glad, and are glad, to pay their own way, asking neither favors nor special concessions.

The convention business in this country is a big one. The Organization Service Bureau of the Chamber of Commerce of the United States of America, in a little pamphlet of convention dates of national and trade associations, lists more than 500; and when one gets into the field of fraternal, religious, scientific and the thousand and one other organizations which meet or may meet every year, the list is endless. Every year there are new ones.

An officer of a badge-manufacturing company told the convention bureau managers two years ago that his company had a record of 1,568,846 organizations, clubs and societies in the United States. "And," he added, "that's only a few of them."



Like *Sterling* on Silver

A DECADE ago the word automobile conjured up a mental picture of an open motor car. Today most people think of an automobile in terms of a sedan or a coupe.

Because of its great beauty, its comfort and its serviceability in all seasons and in all weathers, the closed car is increasing in demand each year.

During the past year the buying public has selected 350,000 closed cars with bodies by Fisher. And in the past six years over 1,500,000 motor cars have been equipped with Fisher closed bodies.

The emblem—Body by Fisher—has come to have a meaning like that of the sterling stamp on silver. It is a guarantee of perfection in closed bodies of motor cars sponsored by General Motors and by many other makers of trustworthy automobiles.

A booklet will be mailed you, if a request is directed to the Department of Publicity, General Motors Corporation, New York.

GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings
 Hyatt Roller Bearings • Jaxon Rims • Fisher Bodies • AC Spark Plugs—AC Speedometers
 Brown-Lipe-Chapin Differential Gears • Lancaster Steel Products
 Inland Steering Wheels • Klaxon Horns • Jacox Steering Gears
 Delco-Light Electric Plants • Frigidaire Electric Refrigerators

- United Motors Service provides authorized national service for General Motors accessories •
- General Motors Acceptance Corporation finances distribution of General Motors products •
- General Exchange Corporation furnishes insurance service for General Motors dealers and purchasers •



Protecting profits from far afield

ZANZIBAR clove plantations have become almost as accessible to American markets as are the orange groves of Florida. Daily quotations are cabled to New York in the buying season.

Merchants in San Francisco or Brooklyn can buy direct from the Argentine with almost the same facility that they purchase in a neighboring state.

Pacific Coast salmon canneries may ship their product through to Paris with assurance of uninterrupted transportation and the prompt financial return that so largely determines profit.

* * *

In the development of distant markets, domestic or foreign, the Irving Bank-Columbia Trust Company has been an important factor for 70 years.

Today, through more than 5,000 correspondents and representatives in the trading centers of America and foreign countries, the Irving-Columbia offers a commercial service of the widest scope.

By determining credit standings, by locating and forwarding delayed shipments, by securing prompt payments, Irving-Columbia service gives active protection to commercial transactions with markets in any part of the world.

This complete service—backed by all the resources and facilities of a great financial institution—is now concentrated in our newly created “Out-of-Town Office.”

**IRVING BANK-COLUMBIA
TRUST COMPANY**
NEW YORK

Congressman's Mail Is Variety Show

By FRED DEWITT SHELTON

THE SIXTY-EIGHTH Congress is hardly under way, but the men who have something to tell its members are working overtime. I have had a chance to read the mail that came to the Congressman's desk during the first few days of the Sixty-eighth Congress. I don't mean personal mail, but that part which is made up of organized or specialized blanket appeals that go to all members.

What do you suppose is the subject that occurs most frequently in the mass of “literature” that meets the Congressional eye? Your first guess is likely to be right, for taxation it is. Touch a man's purse, and you touch his heart. The same is true when Uncle Sam does the touching. An unspectacular Secretary of the Treasury writes an emotional letter to the chairman of the Ways and Means Committee suggesting a plan for lightening the tax burden, and almost instantly Congress is deluged with letters and pamphlets. Yet all petitioners do not pitch their “amen” in the same key. Here are some samples.

A “fair play” committee submits the thesis that inherited wealth is a curse to the country and to the heir, because “the boys buy chorus girls, and the girls buy titles.” Therefore, remove the curse with heavy taxes.

An association interested in the sale of automobiles thinks that industry carries more than its share of the burden and suggests that its tax rate be cut in half.

A league claiming to speak for the farmers and labor organizations has a program which it says will save the American workers six billion dollars a year. Part of the program is to transfer the burden of federal taxation from small incomes to the concentrated wealth of the nation.

For the most part, however, the booklets, circulars, memorials and resolutions are not disposed to show a great deal of originality but unreservedly embrace the scheme put forward by Mr. Mellon.

Do you recall the political campaign of 1920, when candidates for office in many districts dismissed the prohibition question as an issue that had been disposed of? The bombardment of printed matter on the subject that comes in the Congressman's mail is extraordinary for a dead issue. Rally to the cause of law and order! Uphold the Constitution! Such are the fervid appeals of a committee composed of many notables, especially concerned about the enforcement of the Eighteenth Amendment.

City Council Resolutions

THE City Council of the city of Chicago, however, respectfully petitions the Congress to legalize light wines and beers and thereby avoid international complications. A resolution by the same body enclosed compliments to Gov. Smith of New York for signing the enforcement repeal act and for his “courage, patriotism and love of personal liberty.”

Comes also a very neat reprint of action taken by one of the oldest commercial organizations in the United States, asking that the Volstead Act be revised, but in the meantime urging that the law be respected and observed. All of which leaves the Congressman just where he was.

The railroad situation has taken more than one man out of Congress, and the issue is

still the subject of a good part of the Congressman's mail.

"Quit nagging the railroads" is printed on the front of a big mailing card that has a chance of being read before it goes to the wastebasket. It comes in the form of an ink blotter; and if the member happens to need it for that purpose, he may look at the slogan every time he blots his signature for weeks.

A great railway system submits a first lesson in railway finance that can be read in two minutes.

An association representing the railways sends the Congressman an outline showing some of the big things the railways hope to accomplish in 1924 in the way of better service if Congress will leave them alone.

From various railroad presidents, manufacturers, publishers and business organizations comes voluminous advice as to what to do about the railroads. The advice most often given is to do nothing.

Immigration is threatening the fulfillment of America's divine testing according to a pamphlet sent by the Imperial Wizard of the Knights of the Ku Klux Klan to the Congressional desk. On the other hand, some business organizations present the view that we could use a few more good immigrants if they could be hand-picked. But from Buffalo comes a threat that alien registration applied to immigrants if authorized by Congress will mean the downfall of the Republican party.

Others there are who are more interested in the peoples in other lands. The "Friends of Soviet Russia" in Boston appeal to Washington to place Russia on the diplomatic calling list again. Strength is given to this plea by a publication sent by the Russian Information Bureau that speaks glowingly of the commercial and financial stability that has come upon the Soviet Republic.

S.O.S. from All Over

THE AMERICAN Friends of Greece appeal for funds to feed the starving Christian refugees who have been driven out by the Turks in Asia Minor. From American business interests in Shanghai come recommendations for government policy that would help the development of American commerce in the Far East.

Lieutenant-General Chang Ying-fang also presents his compliments with a hundred-page booklet expressing the opinion that most of China's troubles could be cured if army expenditures were not administered without an audit by army officers.

A colorful publication is the bulletin of the Philippine Commission of Independence. It paints the picture of a virile people coming into nationhood with the plea to a magnanimous Uncle Sam to give them independence. Words of brotherly love are placed alongside quite uncomplimentary references to the American governor-general.

Help Germany! Get France out of the Ruhr! In the name of civilization help Germany to achieve peace and prosperity! This is the protest of German societies in an American city. Another organized appeal for Germany, sponsored by a committee containing well-known names, asks Congress to appropriate \$70,000,000 to feed our late enemies. It would be only a loan, of course, for the committee says, "No one familiar with the character of the German people can doubt that they would regard the expenditures authorized by the bill as a debt of honor to be repaid by them at the earliest convenience."

France, too, has friends at court trying to



How Do You Determine Your Shipping Box Costs?

Many manufacturers still think of box costs in terms of invoice prices. Yet they buy factory and office equipment on the basis of definite, expected results.

Isn't it equally important—equally logical—to consider your box purchases in this manner?

The H. O. Cereal Company, manufacturers of Presto Self-Rising Flour, have made a careful study of box costs. And they now use Pioneer (Wirebound) Boxes.

From the first move in assembling Pioneer Boxes to the time they are opened and unpacked, many worthwhile savings are made.

Pioneers are delivered three-fourths assembled. In one day one man can set up as many Pioneers as two men can set up nailed boxes. Labor cost—one-half. Pioneers are closed—and automatically sealed against theft—by simply twisting the wires. Time required—one minute or less.

Pioneers are 30% to 60% lighter than nailed wood boxes—and much stronger. They prevent lumber waste. They lower transportation costs. They safely deliver their contents.

Pioneers are opened simply by cutting the wires. The entire top lifts up. Contents are unpacked quickly and easily.

A General Box Engineer will be glad to study your shipping container requirements and, if possible, design a Pioneer (Wirebound) Box or Crate to suit your needs—at no cost to you. A two cent stamp may save you several thousand dollars.

Write for "General Box Service"—a booklet of information on better boxing and crating methods.

GENERAL BOX COMPANY

504 N. Dearborn Street, Chicago, Illinois

SEVENTEEN FACTORIES GIVE YOU CLOSE AT HAND SERVICE:

Bogalusa, La.
Brewton, Ala.
Brooklyn, N. Y.
Cincinnati, Ohio

Crawfordsville, Ind.
Detroit, Mich.
East St. Louis, Ill.
Hattiesburg, Miss.

Houston, Tex.
Illmo, Mo.
Kansas City, Mo.
Louisville, Ky.
Winchendon, Mass.

Nashville, Tenn.
New Orleans, La.
Peari River, La.
Sheboygan, Wis.

Guaranty

Service



In the Hands of Your Friends

DURING 1923, Europe took more than two billion dollars worth of American products—or more than 50% of all our exports. Including our import trade we did more than three and a quarter billion dollars of business with Europe last year in spite of unsettled conditions there.

In the handling of this vast volume of business, banking arrangements are a vital factor to the American business man. This Company, through its offices located in six important European cities, and its connections with leading banks

in other cities, renders an exceptional and valuable service to international trade.

In the financing, protection, and disposition of goods, in the transfer and collection of funds, in all the varied steps of foreign trade, the American importer or exporter can be assured of prompt and efficient coöperation in the use of the facilities offered by this Company. Moreover, he has the added assurance that he is in the hands of his friends and that friendly service and counsel are his to command at all times.

Some of our Foreign Trade Services

*Commercial credits for financing foreign trade.
Checking or time deposit accounts in foreign
currencies or dollars (interest paid on balances).
Foreign collections.
Purchase and sale of foreign exchange.
Purchase and sale of cable orders of payment.
Foreign trade and credit information.
Custody of securities.
Travelers Letters of Credit and Travelers Checks.*

Guaranty Trust Company of New York

MAIN OFFICE: 140 BROADWAY, NEW YORK

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

win a favorable verdict from the most important spectator that ever sat on the side lines at an international classic.

The tariff issue we have always with us. One of the best pieces of printed matter in the Congressional mail bag is a protective tariff plea from a southern association. The point is made that Jefferson and Jackson were among the original protectionists.

Men who have succeeded in private enterprises are tempted to carry on personal campaigns to force their views on Congress. The Republican National Committeeman in a great southern state sends out an artistically printed pamphlet urging the G. O. P. to engage the Ku Klux Klan in a fight to the finish with no quarter given.

One from New York is broadcasting his indignation at the tactics with which a western senator is trying to unhorse the incumbent in the White House and defeat the World Court plan.

"To treat them with kindness or toleration," says this pamphleteer, "is only to afford a cover to the real character of their designs and to their treachery to the Republican party. The only way is to meet them as we would any common blackjacker—'treat 'em rough.'"

Brilliant Cure-alls Offered

A PROGRAM for Congress submitted by a citizen of Oregon points the way to solve a number of the nation's problems and concludes with the suggestion that "Congress should set a fair price on all grain, dried and canned fruits, nuts and potatoes, that are not consumed by the people to be purchased by the Government, after the new crop is harvested, within thirty days, the old crop to be put on Government transports and sold to foreign countries and the money returned to the national treasury."

An exponent of "Individualism" has built an elaborate thesis on his creed, which reads, "We believe that the elemental factors of quantity, quality, state and condition of Individualism, so defined, embodied, restricted and maintained, constitute the product, the letter and spirit, the polity or structural nature of democratic government." Perhaps the members of Congress will understand.

Has Little Effect

WHAT is accomplished by this flood of propaganda? Very little, according to some members of Congress. One said he would heartily welcome communications on national questions if he had confidence they could furnish him with facts. "Facts," he said, "are the greatest need of every Congressman, and the hardest thing on earth to get. Prejudiced and exaggerated statements by partisan organizations make good publicity but don't help much in arriving at sound conclusions. If people who want to get the ear of Congress will cut out the irrelevant and convince us that they have some new facts to present that are real facts, their stories will be read and appreciated. Another thing that I would suggest is that material sent to Congressmen must be brief, concise and prepared in a way that it is easy to read. Give us the meat, but leave out the trimmings."

Another Congressman, a veteran who had survived many political storms by keeping a highly sensitive ear to the ground, had this to say:

"Frankly, I would pay more attention to a letter from just a plain voter who I know is in touch with the sentiment in my district than I would to the winning essay in a \$100,000 peace prize competition."



Our Latest Accomplishment

THE Devon Power Station is the latest building operation brought to a successful completion by The U. G. I. Contracting Company through its subsidiary, J. A. P. Crisfield Contracting Company.

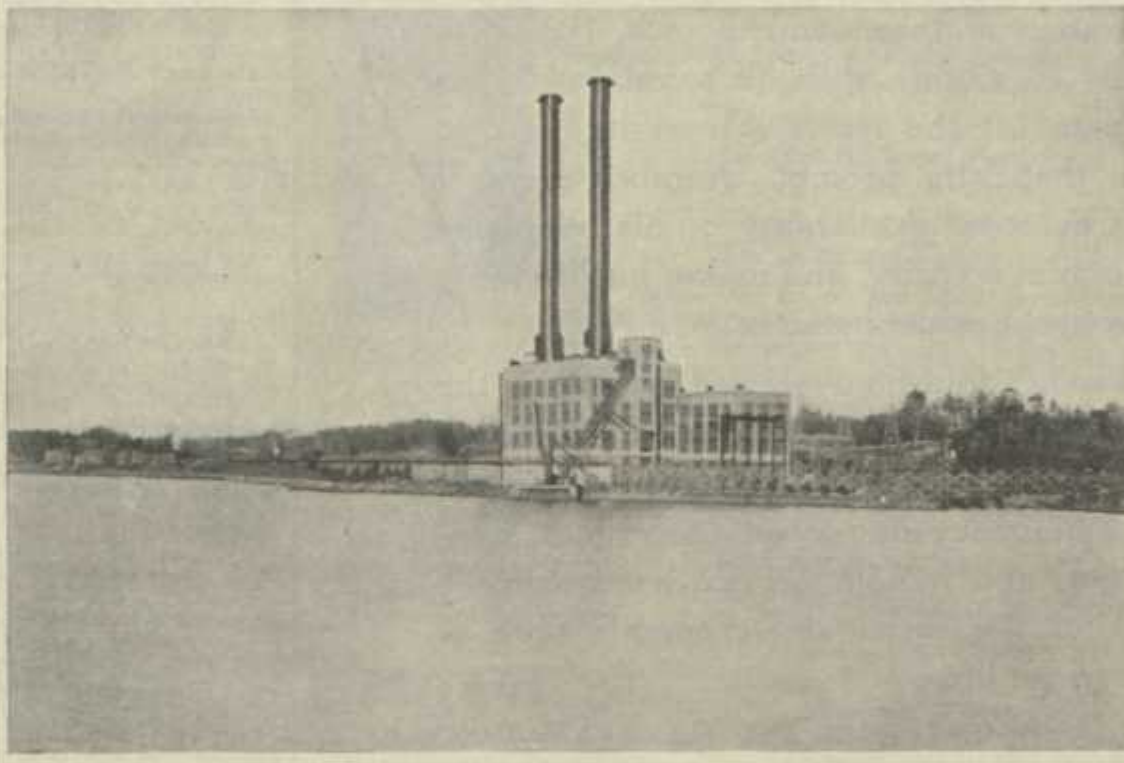
Built for the Connecticut Light & Power Company with an initial capacity of 90,000 horsepower and an ultimate of over 200,000-horsepower capacity, a number of unique features are incorporated—attributes to the engineering and structural skill of this organization.

THE U·G·I·CONTRACTING COMPANY

Philadelphia, U. S. A.

Builders of

FACTORIES ∴ POWER PLANTS ∴ BRIDGES
GAS PLANTS ∴ PUBLIC WORKS





In the Dead of Night

In the dead of night fire breaks out—the alarm must be given. A child is taken sick—the doctor must be called. A thief enters the home—the police must be located.

In the dead of night the American turns to his telephone, confident he will find it ready for the emergency. He knows that telephone exchanges are open always, the operators at their switchboards, the wires ready to vibrate with his words. He has only to lift the receiver from its hook to hear that calm, prompt "Number, please." The constant availability of his telephone gives him security, and makes his life more effective in wider horizons.

Twenty-four-hour service, which is the standard set by the Bell System, is the exception in the service of Continental Europe. An emergency may occur at any time. Continuous and reliable service has become a part of the social and economic fibre of American life.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
AND ASSOCIATED COMPANIES

BELL SYSTEM

One Policy, One System, Universal Service



When Congress Strikes Its Lighter Moods

Spring Flowers of Oratory and Debate Plucked in the Halls of the Capitol

"What I am accused of is having trafficked in human affection." It was the admission of Mr. George Creel before the oil investigating

**A Committee
Learns of the
"Dear Blue
Eyes" of Mr.
Doheny**

committee. "I entered the employ of Mr. Doheny as a publicity consultant . . . Now, he had the clearest blue eyes I ever saw, and the most childlike candor, and he fascinated me to a point where I really wanted to write his life as a textbook, as an inspiration for young Americans. My employment was indefinite, and it was at \$10,000 a year. I resigned at the end of the first three months.

"I have no charges at all to make against Mr. Doheny, except that we were not only not seeing eye to eye, but we were not seeing in the same general direction. . . ."

Senator Walsh (Mont.): But your business was writing?

Mr. Creel: Yes. That is where I got my money.

Senator Walsh: That was your means of making a livelihood?

Mr. Creel: Yes, sir.

Senator Walsh: And you have contributed to magazines as well as newspapers?

Mr. Creel: Yes, sir.

Senator Walsh: Also wrote a number of books?

Mr. Creel: Yes, sir.

Senator Walsh: Were you ever engaged in business prior to 1919?

Mr. Creel: No, sir.

Senator Walsh: Are you familiar with that branch of industry?

Mr. Creel: No, I am not.

Senator Walsh: Did you ever write anything about it.

Mr. Creel: Yes; I had written a great bit about it.

Senator Walsh: Of course, you do not have to know very much about it to write about it, though.

Mr. Creel: I won't incriminate myself, Senator Walsh.

Mr. Lowrey (Miss.): I want to say that my friend Tucker, of Virginia, handed me \$100 the

**Mr. Lowrey
Speaks in
Parables of
German Relief**

other day and asked me to carry it down and settle a little matter for him at the bank. As I went down I came across a tramp with a cancer on his face and a crippled leg. I gave the money to

the tramp and came back without going to the bank at all. I should have been heartless to do otherwise.

If Tucker did not relieve that poor tramp voluntarily, it was clearly my Christian duty to appropriate to that cause the money committed to me for the other purpose. You know, of course, that is a fable. First, you knew that when I said Tucker had \$100; and second, when I said he trusted it to me, then you knew it was a plain lie. But it has a moral in it . . .

Mr. Schall (Minn.) . . . I have three youngsters, two bouncing boys, one tender, dimpled, tangle-curly headed little girl. She will be 4 her next birthday, and just the other evening before going to bed she crawled upon my lap, rubbed her nose against mine, and said to me, "Daddy can't you see me?" I said, "No, little curly-head, I can't." After a moment of silence she said, "Well, your heart sees me, doesn't

it, Daddy?" In her childish philosophy she encompassed life. It is the heart that sees right . . .

Mr. Tucker (Va.): . . . Gentlemen say in their report, "How any man can fight little children who are crying for bread is hard to understand." The eloquent gentleman from Minnesota (Mr. Schall) brought tears to my eyes. . . He says he has three lovely children, but I also have children. I have six, and only one pair of twins. . . This resolution should more properly be denominated not a resolution for the relief of suffering babies in Germany, but a resolution for the consolidation of the German vote in America in the election this fall.

Mr. Luce (Mass.): The statue of "Serenity," by Jose Clara, a noted Spanish sculptor, is one of the finest modern productions of art now in Paris. It has so pleased one of our citizens, Mr. Charles Deering, of Chicago, that at his own expense—a very considerable expense it will be—he desires to present to the city of Washington a copy of this statue . . .

Mr. Wingo (Ark.): . . . Who is this gentleman whose artistic temperament has favorably influenced his judgment with respect to this statue? Is he an artist or a moneygrubber?

Mr. Luce: The gentleman who proposes to give the statue?

Mr. Wingo: Yes.

Mr. Luce: I know nothing of him.

Mr. Wingo: Do you know anything about the judgment of Jose Clara?

Mr. Luce: I do not profess to be an expert in these matters.

Mr. Wingo: . . . Who is he? I am not sufficiently versed in the Spanish language to recognize even the sex of the sculptor.

Mr. Hudspeth (Tex.): It is a man.

Mr. Wingo: Does the gentleman from Massachusetts think that at this time the city of Washington is the proper place in which to erect a statue of "Serenity," however poor the attempt or however sublime the attempt may be to depict that condition?

Mr. Luce: The gentleman will note that this statue is not to be erected on the Capitol Grounds.

Mr. Wingo: Does not the gentleman think that is the only appropriate place in Washington where we could erect it?

Mr. Cramton (Mich.): If the gentleman will yield, I might suggest the proper place would be adjacent to the Franklin School, near the school board.

Mr. Barkley (Ky.): Does the gentleman think of any more appropriate place for the erection of a statue of that kind than at the other end of the Capitol?

Mr. Wingo: . . . Unless I can get some accurate information about this statue of "Serenity," I shall have to object.

Mr. Luce: I will be pleased to show the gentleman a picture of the statue.

Mr. Wingo: I am afraid the picture might becloud my judgment.

Mr. Hammer (N. C.), commenting on the housing situation in Washington: "Like sheep these builders have followed a few leaders and have cut up their floor space into hundreds of

Home Sweet Home With a "Silly Little Stove"

these little bachelor apartments. A cheap deal table and two chairs painted and costing about \$12—but should not have cost anything like that—two cupboards, consisting of two or three cheap little shelves for a partition; a silly little stove, with no place to broil, and a baking oven too small to bake a self-respecting North Carolina chicken; another insignificant little pine table, with two more shelves about it, and you have one of these so-called Pullmanettes. The realtors call this two rooms, although the only partition there is two misplaced shelves."

Mr. Hudspeth (Tex.): My friends, the cowman is the most optimistic creature on earth. You

The Pacific Northwest



Come to America's greatest vacationland

Come this summer to the American Wonderland. Join the thousands of veteran tourists who every year return here to enjoy the most gorgeous variety of scenic grandeur on the continent. The Pacific Northwest includes:

*Yellowstone National Park
Glacier National Park
Rainier National Park
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The Alaskan Tour*

The Travel Bureau of the Burlington-Great Northern-Northern Pacific Railroads will help you plan your trip and give you an estimate of the cost. If you are going to any other point on the Pacific Coast, it will tell you how to plan so as to include the Pacific Northwest.



Climbing the glaciers in Rainier National Park

\$86
round trip
from Chicago
to North Pacific
Coast destinations
Round trip from
St. Louis \$81.50

P. S. Eustis, *Passenger Traffic Manager*
Chicago, Burlington & Quincy R. R.
A. J. Dickinson, *Passenger Traffic Manager*, Great Northern Ry.
A. B. Smith, *Passenger Traffic Manager*, Northern Pacific Ry.

*The Chicago Burlington & Quincy R.R.
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1403 Burlington R. R. Bldg., Chicago, Ill.
Please send me your free book,
"The American Wonderland."

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Write for free book
Send today for the free
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Making This a Brighter and Better World

Following is an excerpt from an editorial which appeared in a recent issue of the Dayton, Ohio, DAILY NEWS:

"For cleanliness in newspaper publication The Christian Science Monitor has come closer to an ideal than any other institution in America, and yet it remains impressively true that no newsboy would think for a moment of racing up and down the business district crying out 'The Christian Science Monitor' and hope to make a reasonable living through street sales. Nevertheless the Monitor has continued on its way, year after year, giving to its readers the best in the news, art, science, literature and music, and always carrying daily a Science article of helpfulness. The public, after all, remains, in the final analysis, the judge of what a 'clean newspaper' shall be. There is a commendable change on the part of the larger publishers along the lines of newspaper printing. Today the paper that attracts and holds permanently its thousands of subscribers is not the 'smutty' publication that deals in sordid tales and 'plays up' viciousness in life. But the successful publication tells the news in a straightforward manner, gives to every member of the family something of interest and education to read and does its share in making this a brighter and better world in which to live."

Many manufacturers and merchants can testify that a clean newspaper makes a profitable advertising medium—their advertisements in The Christian Science Monitor have proved this to be the case. Advertising rates and circulation data supplied on request.

The Christian Science Monitor

An International Daily Newspaper

BACK BAY STATION, BOSTON, MASS.

may bend him in every direction, but he seldom breaks, or, to use the vernacular of that section, "loses his grip." Under his broad-brimmed Stetson hat he whistles. He whistles "Dixie" as he rides away in the morning. And about her daily affairs his helpmeet, under the sunbonnet, sings, "How firm a foundation, ye saints of the Lord, is laid for your faith in His excellent word," although at that moment the very roof may be sagging from the weight of a mortgage due in 30 days, and no visible means of meeting it.

Mr. Heflin (Ala.): If I were to leave it to some of these gentlemen who so vehemently fight adjusted compensation to say what they would charge to go out there on the battle front in France and spend one hour in No Man's Land, the Government could not pay the price they would name in a hundred years.

**Wherein Is Talk
How Cowardly
Are Those Who
Oppose a Bonus**

Mr. McKellar (Tenn.): ... Does the Senator suppose many of them—nay, does he suppose any of them—would have had the courage even to make the trip to France through German-submarine infested seas?

Mr. Heflin: The Senator asks me for a frank answer. I think it would have required physical force to put them on the ship.

Mr. McKellar: I am quite sure the Senator is right.

Mr. Heflin: And after you got them over there, and they had shown them No Man's Land, where not a sprig of grass could live, where shot and shell were raining in fury all around—if you had said to them, "Charge the German line," the one to whom you spoke would have said: "I am sick unto death; take me to the nearest hospital right now."

Mr. Ashurst (Ariz.): Mr. President, in other words, the senator makes the point that a lot of these gentlemen—not in the Senate—who oppose the bonus are invincible in peace, invincible in war?

Mr. Heflin: ... I think that if some of them had gone over there it would have been like the situation with some of our negro troops when a bulletin passed down the line late one afternoon saying, "In the morning 20,000 negro troops, backed by 50,000 French soldiers, will go over the top." One of the negroes grinned and said, "Do you know how that bulletin is gwine to read tomorrow afternoon? It's gwine to say, 'Fifty thousand French soldiers tromped to death by 20,000 niggers.'"

Mr. Howard (Nebr.): Mr. Speaker, I move that the House rule with reference to smoking be suspended for three hours.

Mr. Blanton (Tex.): Mr. Speaker, I make the point of order that that is not in order.

Mr. Howard: We are suspending the Constitution of the United States here tonight. I do not see why we should not do that. I ask unanimous consent that the rule be suspended.

Several Members: Regular order!

Mr. Howard: I did not suppose there were enough of us here to constitute the regular order.

Mr. Blanton: Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska may speak out of order.

Mr. Begg (Ohio): Does the gentleman from Nebraska want time?

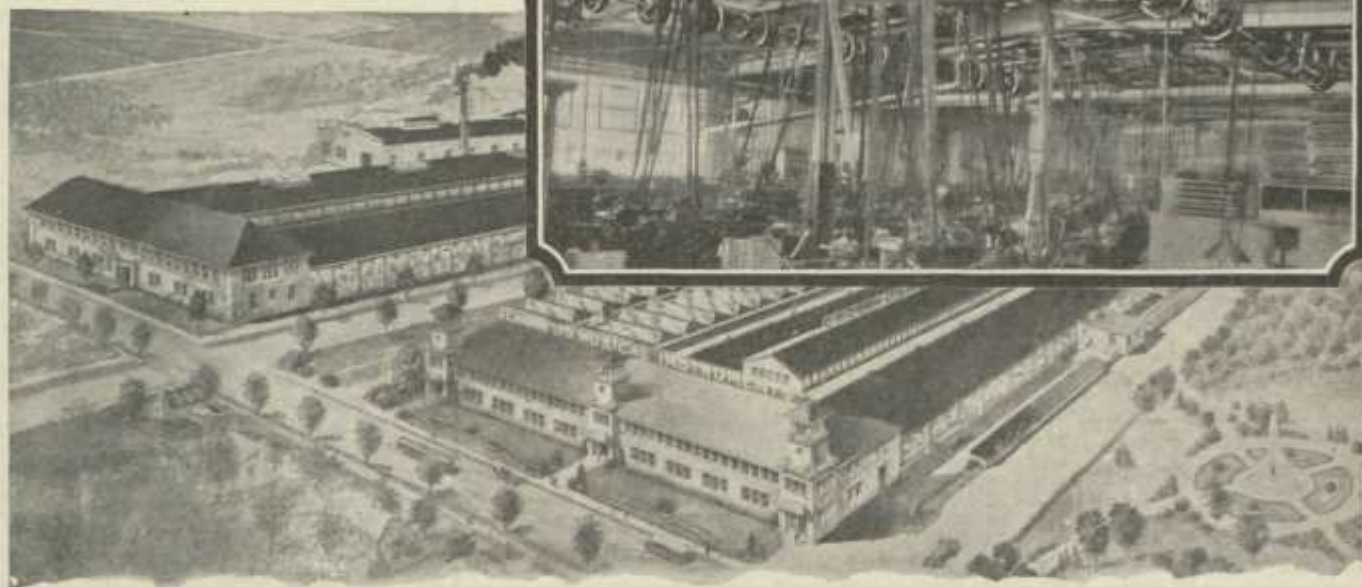
Mr. Howard: No; I want to smoke.

Employer Knows His Responsibility

AN INCREASING number of employers recognize their responsibility to keep their men in work.

The employer cannot escape the fact that he is the guardian of the fortunes of those who work with him. They marry, bring children into the world, build homes, and buy automobiles because of the faith that they can make progress through him. The employer who is not conscious of this responsibility is not worthy of the trust which his position implies.

IN THE PLANT OF C.G. CONN LTD. ELKHART, IND.



Dodge Transmits Power to Build Instruments for the Masters

Dodge Units Withstand Fire and Water

Some of the Dodge equipment in use today in the Conn factories went through at least one of the devastating fires which reduced three Conn plants to ruins. Salvaged from the ruins, Dodge hangers, pulleys and shafting were again pressed into service, while Dodge engineers worked tirelessly to assist in re-establishing production schedules.

From a tiny workshop, employing one crude lathe improvised from a sewing machine, through three devastating fires, C. G. Conn, Ltd., has grown to the large plant shown above manufacturing band and orchestra instruments. 180,000 feet of floor space is overhung with Dodge Power Transmitting Machinery, including pulleys, hangers clutches, etc.

Conn specifies Dodge Power Transmitting Equipment because Dodge represents to Conn what Conn represents to the master musician.

Dodge means power savings. Three large factory warehouses and fourteen branch warehouses supply 500 local dealers who supply Dodge power transmitting appliances on the immediate delivery basis.

DODGE

DODGE MANUFACTURING CORPORATION General Offices: Mishawaka, Indiana
Works: Mishawaka, Ind., and Oxnard, N. Y.

EVERYTHING FOR THE MECHANICAL TRANSMISSION OF

Branches: New York Philadelphia Pittsburgh Boston Cincinnati Newark Chicago
Atlanta Minneapolis St. Louis Houston Seattle San Francisco

Power



To Mr. and Mrs. Public:

More than 46,000 of you, to whom this is addressed, own the business of Swift & Company.

The officers and directors of Swift & Company are responsible to these owners.

When Gustavus F. Swift first started in business in New England in 1868, he was alone. When he incorporated the business in 1885 as Swift & Company, six persons comprised the list of shareholders.

Today, in 1924, there are consumers, retailers, producers of live stock, employees of Swift & Company, in fact, thousands of Mr. and Mrs. Publics in the list of shareholders.

No one man or family owns as much as 50 per cent of the stock of the Company; in fact, it would take about 900 of the largest shareholders to vote 51 per cent of the shares.

We are proud of the fact that about one-third of the list is made up of employees -- and that these employees own over \$20,000,000 worth of our stock.

Swift & Company's 1924 Year Book tells more about this on page 22, and also about many other interesting phases of the packing business. You may have a copy free for the asking.

L. F. Swift

President

Swift & Company, Public Relations Dept.
U. S. Yards, Chicago, Ill.

Please send me, free of charge a copy of Swift & Company's 1924 Year Book.

Name _____

Address _____

128

Shall we send the NATION'S BUSINESS to your home address instead?

Almost daily we receive requests from subscribers who ask that we change their addresses on our stencils. They lack office time in which to read the NATION'S BUSINESS as thoroughly as they desire. If you want us to start sending the magazine to your home address instead of to the office, write us to that effect, giving the present address as it appears on the cover of this copy, and the home address. The NATION'S BUSINESS, Washington, D. C.

Who Owns America

By EDWARD A. WOODS

THERE are those who believe that financial and economic America is controlled from "Wall Street" by a few designing persons of vast wealth who reach out to every city, town, village and hamlet of America and manipulate the country's resources and control its wealth. To such persons everything that goes on financially is controlled by these financial autocrats who, from offices in "Wall Street" or near there, hold the economic destiny of the people in the remotest corner of the United States in the hollow of their hands.

Morgan's One Steel Share

WHEN the elder Morgan died he owned but one share of stock in the Steel Corporation. Yet there are thousands of persons who still believe that J. P. Morgan absolutely controlled it.

We have recently learned how comparatively small an interest John D. Rockefeller has in the Standard Oil Company. Yet, to many persons, John D. Rockefeller personifies absolute dictatorship of that great company with all its affiliations—indeed, of the entire oil trade with all its ramifications.

Who does own America? Is it possible that any small group of men can dictate its economic or financial policy? Are our railroads, great corporations, public utilities, banks, insurance companies with all their affiliations, controlled by a few men who through interlocking directorates reach down from "Wall Street" to the most remote parts of the country and so dominate America?

There are about 110,663,502 persons in the United States—say 25,500,000 families. The latest estimate of our gross wealth is about \$350,000,000,000; and our income is placed at about \$66,800,000,000.

Over ten and a half million homes are owned in the United States. Of these, 6,522,119 are owned free of incumbrance.

There are 6,448,366 farms owned in our country, of which 3,925,095 are run by the owners; the balance, except 68,525, being managed by tenants. These farms have a value of \$77,924,100,338, and are mortgaged for only \$4,003,767,192.

One Group Control Impossible

NO ONE can seriously pretend that either the home-owners or the farmers are or can be controlled by any trust, whether from "Wall Street" or any other place. Machinery to reach and control them does not exist.

More than 81,300,000 policies are in force in the life insurance companies of the United States, totaling \$60,135,228,379. Excluding duplicates this represents between 50,000,000 and 60,000,000 persons carrying life insurance, representing total assets of \$9,293,785,774.

These 50,000,000 policyholders own about 15 per cent or \$2,000,000,000 of the railroad bonds of the country, \$2,000,000,000 of mortgages—of which \$1,000,000,000 are on farms—and various other securities.

These life insurance companies are neither owned nor controlled by any small group of people. Over 74 per cent of these assets are those of mutual companies owned solely by their policyholders. Many of the remaining companies are more or less mutual in the sense of being obliged to pay to the policyholders all earnings over a fair rate of interest on the invested capital; and all the non-mutual companies are precluded from exorbitant profits by being compelled to

compete with companies purely mutual.

Our building and loan associations have 5,026,781 members and assets of \$2,534,319,701. Often it is these associations that hold the mortgages upon the homes, contrary to the idea of some that "Wall Street" and the powers that dictate through "Wall Street" hold these mortgages.

Savings Depositors Own the Bonds

IN OUR savings banks there are 12,538,997 accounts for \$7,181,248,000—exclusive of savings accounts in commercial banks. This number should be reduced to determine the number of depositors, because many have several accounts in the same bank or accounts in different banks; but allowing for the largest possible estimate of duplication, there are certainly a great many millions of persons—probably from 8,000,000 to 10,000,000—having over \$7,000,000,000 of deposits in the savings banks of our country. And it is these savings bank depositors who own large quantities of bonds of railroads and institutions.

There are 32,658 banks in the United States, with total resources of nearly \$53,000,000,000—\$21,000,000,000 more than the banking resources of the rest of the world combined. These thousands of banks cannot be owned and controlled by any one person or by any small group of persons. It is recognized good business in organizing a bank to have the stock scattered widely among persons who can be of value to the bank.

In the interest of the bank itself wide distribution of the stock is considered essential to success. It would not be amiss to assume that each bank has, on the average, something like one hundred stockholders. This would mean, allowing for duplications, something like 3,000,000 bank stockholders. Even where a large proportion—or even the majority—of the stock of a bank is owned by one person or a small group of persons, it is to their own interest to make the stock profitable; and to be profitable to the large holders, it must be profitable to the small holders also. Therefore, the small holders may be considered fortunate that they profit by the astute management of large owners, who, having more at stake, must give the banks the benefit of their greater ability and experience.

The railroads of the country are a favorite illustration of corporations dominated by "Wall Street." There are those who seriously believe that men like the elder Morgan, E. H. Harriman, H. C. Frick, James J. Hill and others practically owned the railroads of the United States.

As a matter of fact it is estimated that there are at least 50,000,000 persons—about one-half of the population of the country—directly or indirectly owners of the stocks and bonds of American railways. The investment in railways in this country is approximately \$20,000,000,000.

Great Numbers Buy Indirectly

THERE are 1,863,138 stockholders; and while the number of bondholders is not recorded, it is estimated that these bondholders number about 1,000,000 individuals, corporations and institutions—many large holders being benevolent institutions. Cutting this total of 1,863,138 owners as far as we please to allow for duplications, it still means that not a few but a large number of people own our railroads. The Pennsylvania Railroad alone has 140,000 stockholders and 90,000 bondholders.

But this is not the whole story. These one or two million owners represent many times that number of individuals. Included among single owners are a few score life



Greater Convenience

There are so many important conveniences to serve us now that we are not always aware of the smaller things. Electric lights, telephones, automobiles—these things were scarcely dreamed of a generation ago; yet today they are as commonplace as matches! What, then, shall be the fate of minor achievements?

In the field of banking, for example, there has been notable progress in the development of bookkeeping methods, safety-paper, check forms and the like. Some of these things are of primary importance. Many are simply improvements on the former products.

The first really vital step forward in the manufacture of check books is—The Manco Check Book. Here, at last, is a form of binding that enables you to have the book lying flat open—to write with one hand while you hold any memos, letters or other data in the other, and never to be bothered with bulging or flapping pages!

The Manco Check Book is, distinctly, a greater convenience—designed and produced to increase your comfort when writing checks. Ask your banker about it—or write us for complete descriptive folder.

Mann-made Products include

Blank Books
Remed and Loose Leaf
Lithography
Printing
Engraving
Office and Bank Supplies

Write for descriptive folders about

Manco Safety Paper
Manco Check Books
Mantint Safety Checks
Mann Machine Book-keeping Equipment

WILLIAM MANN COMPANY

529 MARKET STREET

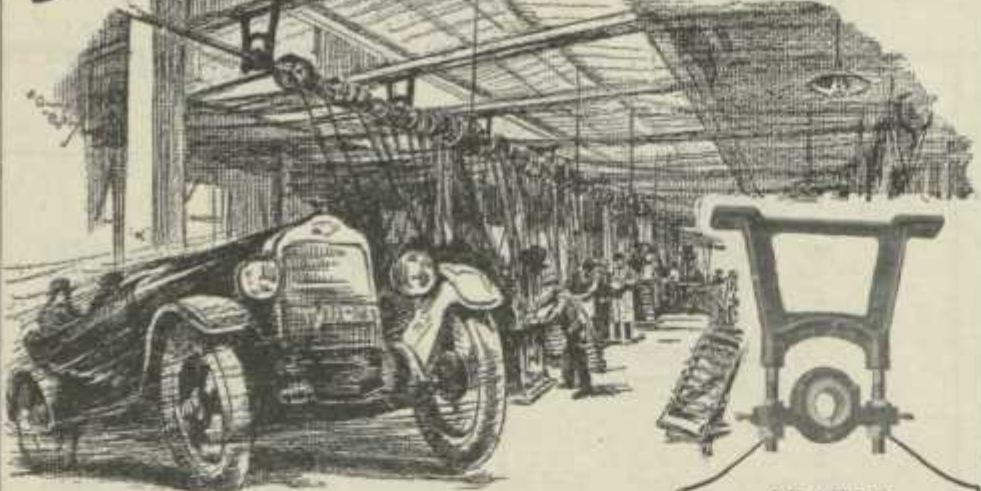
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New York Office
261 Broadway

Paper Mills
Lambertville, N. J.

4-wheel brakes or 40-wheel brakes



THE automotive engineer gives the world a supposedly new principle for STOPPING automobiles. He has made FRICTION work for him. He has multiplied its usefulness by two.

And yet this principle of multiple brakes is not new. It has been employed for years in the very plants that today are heralding the development of a new braking system. It has been employed, not in the form of 4-wheel brakes but, often, in the form of 40-wheel brakes!

Count the plain bearings in use in your plant and KNOW just what braking power is being applied to your transmission equipment. Every plain bearing in use is applying friction to your shafting just as surely as you apply it to your brake drums through your brake pedal.

Let our engineers estimate on Skayef Self-Aligning Ball Bearing Hanger Equipment and prove to you that it is costing more to USE plain bearings than to REPLACE them.

For Nearest Distributor See MacRae's Blue Book

SKAYEF

Self-Aligning Ball-Bearing HANGERS

THE SKAYEF BALL BEARING COMPANY

165 Broadway, New York City

SKAYEF —the 4-Saving Hanger—

- 1st **Saving** Skayef Hangers save from 50 per cent upward of the money which plain bearings consume in friction. This means a saving of 15 to 35 per cent of your power cost.
- 2nd **Saving** Considerable time is saved by eliminating adjustments for replacing or adjusting bearings. Skayef Hangers are of such design that they are a constant saving to be ignored.
- 3rd **Saving** Lubricant consumption reduced 40 to 50 per cent as compared with plain bearing hangers. Lubricant required only in infrequent intervals and it cannot leak out and ruin belts or products.
- 4th **Saving** There is no shatterable wear at the hard steel ball and race and no wear at all on the shafting. Skayef Hangers are of such design that they are a constant saving to be ignored.



Made Under
SKF
Supervision

insurance companies representing, in turn, 50,000,000 individuals, a few hundred fire insurance companies, benevolent institutions, colleges and other corporations of various kinds, in turn comprising many other millions of individuals, thousands of savings banks, trust companies, and other banks, with millions of depositors and stockholders who own over \$2,000,000,000. There are probably fewer people who are not included in the number who directly or indirectly own our railroads than in the number who do.

There is no recent estimate of the number of persons owning Liberty Bonds, but with nearly 17,000,000 purchasers of them, excluding duplicates and allowing for those who have since sold them, there are certainly millions of persons who individually and indirectly own the government securities. And when to these are added the other billions that, in value, are owned by savings banks, insurance companies and other institutions—these owned, in turn, by other millions of individuals—it ought to be fairly clear, even to the unthinking, that no one can corner the public debt of the United States.

Data is not available as to the total number of stockholders of corporations other than railroads, banks and building and loan associations. But the estimate of some years ago of 2,000,000 persons is probably now much exceeded. It is certainly safe to say that not a small group, but at least two or more million persons, own these institutions—large and small—from the Steel Corporation and the Standard Oil Company down to the smallest business.

One Group Control Impossible

OF COURSE, many of these figures are repeatedly duplicated. The same person may own stock in several railroads, in national banks, have several savings bank accounts, carry many life insurance policies and own Liberty Bonds. But the very size of these figures shows the utter impossibility of control by any one person, group of persons or any network of persons and combines, either residing in New York or conspiring throughout the various large cities of the country.

As a matter of fact, under present economic conditions, there are very few opportunities safely to make money that do not involve contributing to the prosperity of others. No one person or small group of persons can own the whole or any large part of a great railroad. Men like J. P. Morgan, E. H. Harriman and James J. Hill benefited large numbers of stockholders of railroads. The stockholders of the roads with which these men were connected benefited by the rare ability of these men.

The owners of our great corporations have been anxious to spread the ownership of their companies widely among the public and their employees.

Our shrewdest persons realize that it is to their own interest to further the prosperity of the entire community. Bankers and other successful men realize that greater earnings and increasing business of banks and corporations come primarily from a prosperous community.

Over and over again, in financial affairs, corporations that have fallen into bad financial condition have been rescued, taken hold of, supported and stabilized, by other institutions as a matter of public, and even selfish, interest—as her enemy nations are now helping Austria. The day has passed when the wrecking of railroads or other institutions is considered shrewd business. Of two groups—100 persons starting out to succeed in life by injuring other institutions, as compared with

Kansas City Star comments on Charles R. Flint's "Memories of an Active Life" now running serially in the NATION'S BUSINESS

"FANCY finding the air of romance in the personal history of a man who has earned the title of 'The Father of Trusts,' or a lusty spirit of adventure intermingled in the life of one who confesses himself as essentially a man of trade and a partner and associate of the magnates of finances and the kings of big business. Yet it is just those unexpected things that are disclosed in *Memories of an Active Life*." (NOTE: Third installment in this issue.)

100 persons starting with the determination to make all those around them prosper—which is the most certain to prosper and most largely? American business has no doubt of the right answer to that.

Fortunately, financial America is more of a real republic than political America. We allow financial leaders to control our institutions, but at all times have a veto power over them. No small group of persons or combination of persons can ever own America.

"Section 28" Comes to Life

SECTION Twenty-Eight bids fair to be as widely known as some other famous provisions of law. Being part of the Merchant Marine Act, it has been on the statute book for pretty nearly four years. Until March, 1924, however, it showed no sign of coming to life. It was then suddenly roused into activity by the Shipping Board and announced by the Interstate Commerce Commission as in force with full vigor from May 20.

Thereupon, many shippers interested in export trade and a number of ports set out to get a reconsideration, a postponement, or any other relief from conditions they described as in prospect. Bills have been introduced in House and Senate, there have been hearings before Congressional committees, and the Interstate Commerce Commission on April 7 undertook to hear arguments later in the month on the question of the effective date being made later than May 20.

Railroad rates are at issue, but the hearings have been before the Merchant Marine Committee of the House; for the railroad rates over which the trouble arises are on imports and exports. In Section 28 of the Merchant Marine Act Congress legislated that lower rail rates could not be charged on imports and exports than the domestic rates for the same rail haul, unless the part of the transportation by ocean is in a vessel flying the American flag.

If Congress had stopped with that declaration the present discussion would have occurred in 1920. It added, however, that so long as American vessels did not supply facilities for ocean transportation to a foreign port the Shipping Board should so notify the Interstate Commerce Commission and the commission might suspend operation of the enactment of Congress.

Limits Preferential Rates

THROUGH this process the import and export rates by rail have remained in force for all shipments. At the end of February, however, the Shipping Board by resolution declared that American vessels are now prepared to supply adequate facilities for our commerce across the North Atlantic and the Pacific except for grain, and the Commission announced that after May 20 the lower rail rates for imports and exports would be available only for shipments using our vessels—some twenty in private ownership and 375 belonging to the Shipping Board, according to the Board itself.

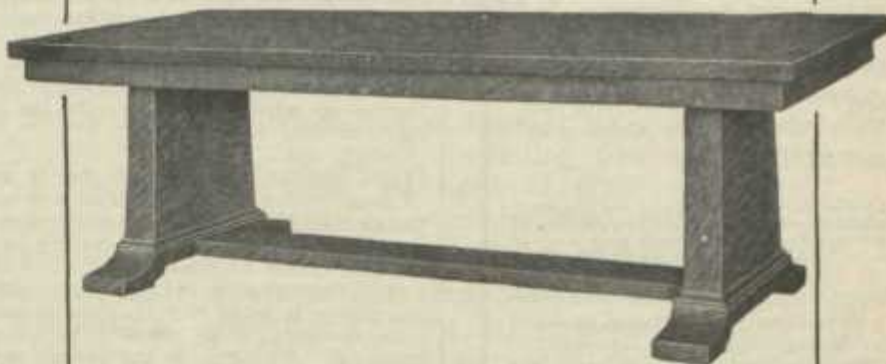
Some shippers protest on the ground that there will not be enough space on American vessels and they will accordingly have to pay higher rail rates than competitors who are lucky enough to get their cargo on board an American-flag ship. Some insist the Shipping Board has exceeded its authority, in certifying that there are enough American vessels except for grain, taking the stand that there must be enough for all cargo before the Board can act.

Many a big deal has been favorably closed because the negotiators were conferring around

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Over 200,000 in use in Industry



What Impression does Your Office Make on a Prospect?

Do you welcome them with a feeling they'll be immediately impressed by their surroundings? Can you face them across a work or conference table that favorably reflects you and your product or service? If not write us today for a booklet describing 27 SAMSON table models, in 150 sizes. Made in Oak, Walnut or Mahogany; also a note on the prevailing trend in office furnishings. There's no obligation.

Mutschler Brothers' Company

502 Madison St.

Nappanee, Ind., U. S. A.

Recent Federal Trade Cases

AN EXTENSIVE advertising campaign in behalf of an abrasive bearing fitting compound, known as "Kwik-Ak-Shun," included many false and misleading statements, says the Federal Trade Commission in making public an order intended to stop alleged unfair practices of the company producing the compound. Another product, "Time Saver," prepared for similar use, was involved in the case.

The commission's order requires the discontinuance of passing off or attempting to pass off the product Kwik-Ak-Shun as and for Time Saver, the product of the M. T. K. Products Company; advertising and representing to the trade that Kwik-Ak-Shun is the original product and that Time Saver is a duplicate and an inferior imitation of Kwik-Ak-Shun; fabricating letters forging signatures to the letters and submitting the letters to the commission as the basis for action by the commission against a competitor; making application to the commission for relief against a competitor, and simultaneously advertising to the trade the filing of the application before the issues involved are determinable by the commission; notifying the customers of a competitor that charges have been filed with the commission against a competitor, and simultaneously publishing advertisements to the same effect, before the issues involved are determinable by the commission. The order is also addressed to the prevention of advertising inimical to the patent rights of Time Saver.

THE WORD "rubber" must not be used in connection with the sale of roofing material not composed of rubber, the commission rules in a case involving seventeen manufacturers of felt-base roofing material.

On investigation of its complaint, reports the commission, it found that the same methods of misrepresentation were practiced by all of the companies. The firms, so the findings say, created the impression among the trade and public by brand names and in advertisements, that their products were composed in whole or in part of rubber and that their roofing material consisted of two or more layers or plies. Products so branded and advertised did not contain any rubber and were composed of only one layer or thickness, asserts the commission. Discontinuance of the alleged misrepresentations is required by the commission's order.

IN A CASE involving a cigar dealers' association, the commission discovered, it says, that the association, its officers, and members, used various methods to induce tobacco dealers to abide by a price list agreed upon among the members of the association.

Among the methods outlined by the commission was the obtaining of cooperation of a tobacco company in the persuasion and intimidation of dealers who failed to resell tobacco products at prices fixed by the association; the reporting of names of dealers who failed to maintain the set prices, either directly to the association or through its members, such names being then reported to the tobacco company with a request for assistance in the enforcement of the association's price system by having the tobacco company refuse further to supply offending dealers with any of its products. That action was taken, says the commission, by the tobacco company after finding that the reported dealers were

cutting prices and failing to maintain the association's resale prices.

Combining and cooperating for the purpose of fixing and regulating prices at which tobacco products shall be sold are prohibited in an order issued by the commission.

Methods affecting the sale of tobacco products were also investigated in a complaint against a wholesale tobacco association of Cincinnati, its officers and members, and a tobacco company. The company suggested that Cincinnati jobbers get together and fix a uniform price on tobacco products, and an association was formed, says the commission, with a promulgation of rules and regulations for a standard system of allowing discounts to jobbers and dealers in the company's tobacco products.

In this case, the commission also discovered, it reports, that all of the agreements made by the association's members, which related to uniform discounts were accepted by the members with the aid of and in combination with the tobacco company, and that cooperative means were used to enforce these agreements. An order prohibiting the regulation and fixing of prices has been issued to the association, its officers and members, and to the tobacco company.

A METHOD of marketing practiced by a Baltimore dealer in teas and coffees has come under the commission's ban. According to the commission's findings, the company sold teas in hundred package lots and agreed to supply to retailers one hundred pieces of assorted chinaware with each one hundred packages of teas bought, the impression being that the dealer was giving the chinaware free of charge to the retail dealer and that the retail dealer in turn was giving the chinaware without extra charge to the purchasing public.

The dealer, the findings assert, in selling the packages of teas and coffees to retail dealers fixed the wholesale price of each lot of one hundred packages at an amount which covered the total cost of one hundred pieces of chinaware and the one hundred packages of teas and coffees, and a reasonable profit.

With the issuance of a prohibitory order, the commission explains that it found the dealer's method of marketing to be unfair to competitors who do not resort to premiums of unequal value to induce the sale of their products and that it misleads the general public into believing that articles of chinaware were given free of charge either by chance or lottery, or in other manner, to persons buying the dealer's packages of teas or coffees.

THE WORD "shellac" used in connection with a product not composed of 100 per cent shellac gum dissolved in alcohol must be accompanied by words clearly indicating the percentages of other ingredients. That decision was reached by the commission after investigating the methods of branding and advertising used by the manufacturer of varnishes and allied products, with his principal place of business in Brooklyn.

The commission found, it says, that the manufacturer manufactured, advertised and sold a product not composed wholly of genuine shellac gum under the brand name of "white shellac" and "orange shellac," without indicating in any way on the labels and in the advertisements that the product contained any other ingredient than



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Du-Plex and Mon-O-Post Envelopes provide one big compartment for your printed matter and a smaller one for the letter. They make it possible to send your catalogue and letter under the same cover and yet pay FIRST-CLASS postage only on the letter. They not only insure a more favorable reception for your mail proposal but they reduce your mailing costs.

Don't commit the Final Error in your mail campaign. Send today for a free copy of "Suppose This Were Your Catalogue" and KNOW why.

Du-Plex Envelopes, in stock sizes and in average quantities, are sold by many leading stationers. If you cannot secure them locally write direct to "Mailing Information Headquarters."

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Twenty-four Branches in Metropolitan Centers

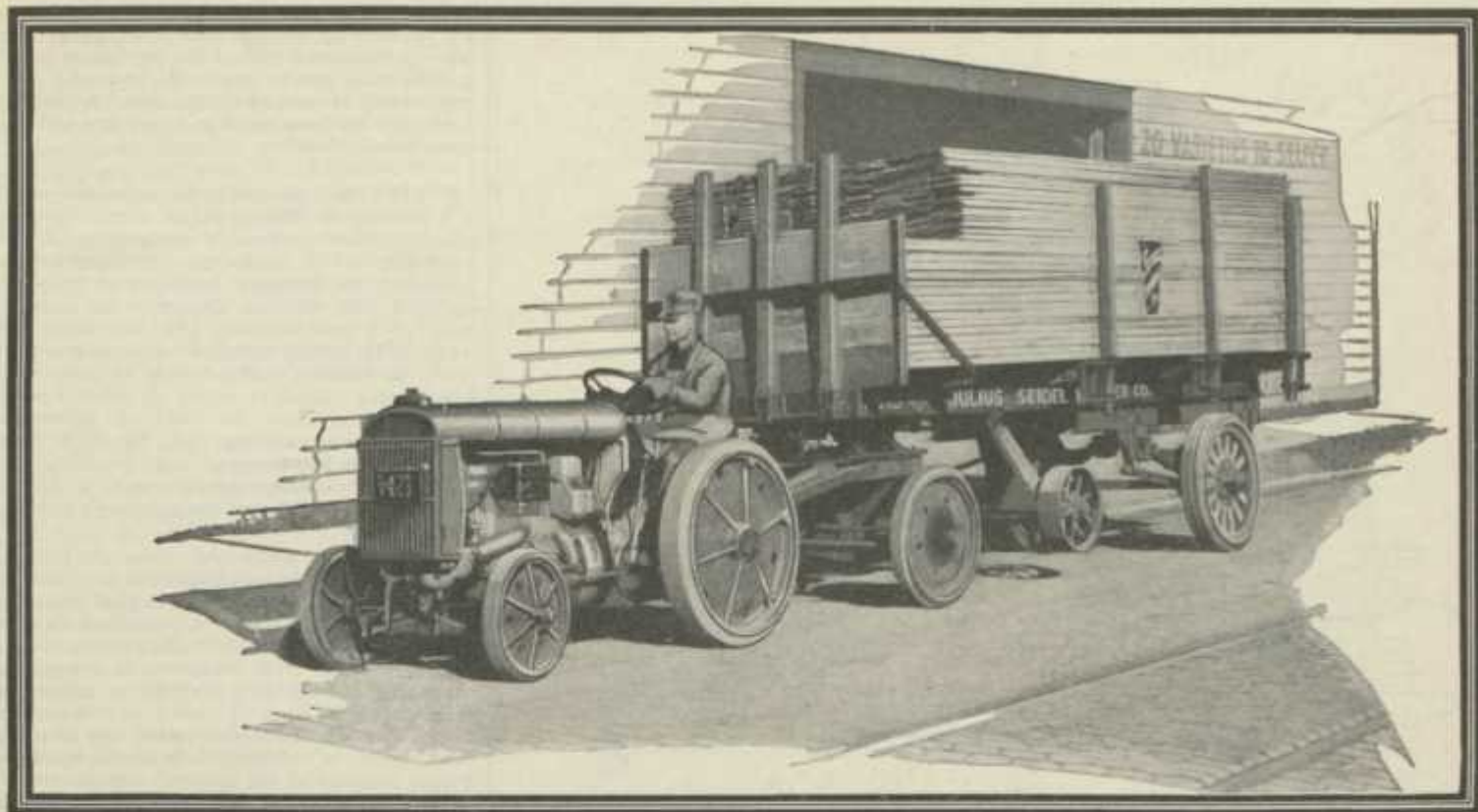


Du-Plex
2-in-1
ENVELOPES

Pat. U. S. A. May 20, 1919, Oct. 9, 1921, Feb. 28, 1924. Pat. Canada Sept. 30, 1919 Other Pat. Pending

COLUMBIAN
MON-O-POST
TWO COMPARTMENT
ENVELOPES

Patented July 19, 1921
Other Pat. Pending



Seven Fordsons Save \$29,578 Annually

In every business where hauling or delivery of materials is a factor, the Fordson Tractor provides an ideal heavy duty haulage unit.

One of the best examples of Fordson economy is found in the experience of Julius Seidel Lumber Company of St. Louis, one of the largest wholesale and retail lumber companies in the Mississippi Valley.

A fleet of seven Fordsons replaced twenty teams of mules and one $3\frac{1}{2}$ -ton truck for yard work and local deliveries. This arrangement represents a reduction of \$9,000 in equipment; eliminating fourteen drivers saves \$20,384 yearly, while the difference in operating and maintenance expense amounts to \$9,194.

Not knowing a test was being made, a driver with a Fordson and trailer hauling 6,000 feet of lumber on a one percent up grade, including five slow-ups for traffic, averaged 11 miles an hour and returned over the same route with two slow-ups at 16 miles an hour.

The total operating cost of the Fordson, including driver's wages, averages \$7.39 a day. Considering that one Fordson costs but one-third the price of a two-ton truck, and can haul more than a seven-ton truck, the Fordson owner is combining economy with the highest type of heavy haulage efficiency.

Perhaps you, too, can increase the margin of your profits by reducing your haulage costs with a Fordson.

Any Authorized Ford Dealer will be glad to help you work out your haulage problems

Fordson Tractor \$420 F. O. B. Detroit

Ford
CARS · TRUCKS · TRACTORS

P-51



AT THE HEART
of the
RICHEST VALLEY in the WORLD

"An Extra Measure of Service"

**The CONTINENTAL and
COMMERCIAL
BANKS**
CHICAGO

Resources more than \$500,000,000

genuine shellac gum. That method of exploiting his product, the findings state, misleads and deceives a substantial part of the purchasing public into the belief that his product so branded is composed solely of genuine shellac gum. A prohibitory order has been issued in accordance with the commission's decision.

A CITATION directed to an underwear manufacturer of Winston-Salem, North Carolina, charges unfair methods of competition in the marketing of its products. According to the complaint, the company is alleged to have co-operated with wholesale dealers in the enforcement of a merchandising plan for fixing and maintaining certain specified uniform prices at which its products shall be resold by the wholesalers. The complaint recites in detail various cooperative methods for inducing dealers to abide by the price-fixing plan, alleged to have been used by the company, and also allegations that the plan suppresses competition among wholesalers in the sale of the company's product.

SO-CALLED "commercial bribery" is condemned by the commission, and from time to time it has investigated the giving of gratuities in the course of business. A New York concern is now ordered to discontinue the practice of giving to employees of its customers or prospective customers, without the knowledge or consent of their employers, sums of money as inducements to influence their employers to buy the concern's products or to influence their employers from buying products of the concern's competitors.

The concern is a manufacturer of textile starches, soluble oils, and textile-finishing products, which it sells to owners and operators of textile mills. The commission found, it reports, that the concern gave to the employees of textile mills sums of money for the purpose of inducing the employees to recommend to their employers the buying of the concern's products, and that on those recommendations the concern's products were bought.

AN AUTOMOBILE wheel rim and parts manufacturer and eight distributors of its products are charged with combining to maintain and increase prices, and to suppress competition in the distribution and sale of the manufacturer's product. The complaint alleges that the manufacturer allots to each of its distributors an exclusive territory privilege, and enters into contract with its distributors, which requires the enforcement of a system of fixed retail prices and trade discounts used in connection with the restrictive and exclusive territorial agreements.

THE WORDS "rice milling" in the corporate name of a New Orleans company are misleading, the commission complains in the belief that the company does not operate, own or control any rice mill. The concern buys rice and sells it to the wholesale and retail trade, and in the marketing of the rice uses the word "milling" on its stationery and in its advertising, creating the erroneous impression, according to the commission, that its customers are buying directly from the millers of the rice, thereby saving the profits of all intermediate dealers.

As a matter of fact, the commission charges, the customers are paying the prevailing wholesale and retail prices.

SIMULATING the signs, lettering, legend and store front, in color, size, shape, design and general appearance of the stores of a competitor is prohibited in an order directed to the proprietor of a retail store in Washington, D. C.

In connection with its sale of an orange beverage virtually identical in appearance, taste and composition with that sold by a competitor, the store fronts, signs, doors, counters, beverage containers and serving glasses of the business cited in the complaint so closely resemble in construction, form, size, design and general appearance, those of the competitor, the commission charges, that they have the capacity and tendency to deceive, and in many instances have deceived the general

public into the belief that the store is a part of the business owned by the competitor.

ASSERTIONS regarding the action of a depilatory when applied to the human skin have drawn charges from the commission that the depilatory neither kills nor removes the hair as represented, and that after its application there is a regrowth of hair upon that part of the body to which the depilatory has been applied.

The complaint alleges that the manufacturer in the advertisement and sale of the depilatory makes false and misleading statements, and the commission contends that his acts have a tendency to mislead and deceive the public into the belief that the depilatory permanently removes the roots of the hair wherever it is applied.

PUBLICATION and circulation of disparaging statements concerning a competitor's product is charged against a baking-powder company of Chicago. Among the alleged false and misleading statements were that the K. C. baking powder is cheap, of a poor and inferior quality, of inferior materials, adulterated, and carelessly compounded by inexact and inaccurate methods.

It is also alleged that the company cited circulated the statement that the K. C. baking powder when used in the preparation of foodstuffs does not function properly or satisfactorily, and renders food products in which it is used unwholesome. All of those assertions are untrue, the commission says in its complaint.

MARKETING coal under the trade name of a competing corporation is unfair competition, declares the commission in a complaint directed to two coal companies—one at St. Louis, Missouri, and one at Duquoin, Illinois.

According to the citation, the Duquoin company is engaged in the production of coal from a mine operated by it in the State of Illinois, and the St. Louis company acts as the agent in the sale of the coal. Among the competitors of the two companies is a company, which, the commission says, has built up a large business and good-will in the sale of coal bearing the trade name "Victory Coal." The two companies, so the complaint reads, market their coal under the trade name "Victory Coal," which, in connection with the corporate name of one of the companies cited in the complaint, has a tendency to mislead and deceive the trade and the public into the belief that the coal produced and sold by the two companies, the complaint continues, is identical with the coal produced and sold by the competing company.

CANDLES used in churches in religious ceremonies designated as "altar" candles are required by the rules and regulations of some religious denominations to contain more than 50 per cent of beeswax, asserts the complaint issued against a candle manufacturer of Syracuse, New York. The charge is that candles containing not more than 15 per cent beeswax were represented to contain more than 50 per cent beeswax, a practice which the commission holds to be unfair to competitors who do not represent and sell candles with less than the required 50 per cent beeswax content as altar candles.

THE ADVERTISING of a mattress-making company is under scrutiny by the commission and a complaint has been issued to the company. On each mattress sold by the company, the complaint recites, is attached a brand or label containing a pictorial representation or design of a completed and of an uncompleted mattress, which deceives the general public into the belief, says the complaint, that the labels are actual and truthful representations of the mattresses made by the company.

Other erroneous impressions, as determined by the commission, is that felt layers or "bats" 40 to 60 inches in thickness are used in the manufacture of the mattresses, and that they are of great resilience and elasticity. The illustration used on the concern's labels is not a true



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THE BUSY MAN who plans a trip abroad will find The Equitable Trust Company Letter of Credit more than a convenient means of carrying funds.

It entitles the holder to the courtesies of leading banks abroad and to the conveniences of our offices in London and Paris.

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ETC Letters of Credit are issued by local banks throughout this country. For further information, write to our Foreign Department.

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DISTRICT REPRESENTATIVES

PHILADELPHIA: Land Title Building
BALTIMORE: Calvert and Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 405 California St.

"What a whale of a difference
just a few cents make!"

—all the difference

between just an ordinary cigarette
and—FATIMA, the most skillful
blend in cigarette history.

Who are our 150,000 Subscribers? They are executives in 88,016 Corporations*

In these corporations the magazine is being read by the following major executives:

Presidents.....	37,671
Vice-Presidents.....	17,064
Secretaries.....	16,465
Treasurers.....	7,983
Partners and Proprietors.....	9,180
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers.....	6,437
General Managers.....	11,875
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	11,227
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Total Executives.....	126,813
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If this audience represents a market for your products, we shall be glad to give you complete advertising details.

The NATION'S BUSINESS
Washington, D. C.

*Figures based on a complete investigation of all subscribers in twelve cities.

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picture of its product in the eyes of the commission, for it charges that the picture is made from a specially constructed model, which, it says, greatly exaggerates the total thickness of the felt layers used in the construction of the mattress.

A FEATHER-BED and pillow company of Nashville, Tennessee, is named in a complaint charging unfair methods of competition. The complaint relates to the company's purchase of other manufacturer's products.

In the sale of those products, says the complaint, advertisements, catalogs, and other trade information containing numerous false and misleading statements were distributed by the company. Among the alleged misleading statements were: that the company manufactured the articles so advertised, and sold direct to the consumer at factory prices, thus eliminating the profits of all middlemen, but as a matter of fact, the commission contends, the company neither owns, operates, nor is interested in any plant or factory where the articles it sells are manufactured.

THE WORDS "Sheffield," "Sheffield Plate" and other similar designations including the word "Sheffield" will not be stamped or impressed on silver-plated ware not made in Sheffield, England, if the commission has its way. The practice is confusing and misleading, and creates an undue preference, to the detriment of competitors who refrain from so marking or stamping their products, explains the commission in a complaint issued to a New York company engaged in the manufacture of silver-plated ware.

Recent Business Books

Atlas of Traffic Maps, by Charles E. Wymond. LaSalle University Press, Chicago, 1924.

Freight rate systems and structures are usefully visualized in a series of maps prepared and assembled by the official cartographer of the Central Freight Association in collaboration with other railroad traffic experts. The atlas was primarily intended to serve in a course on traffic management, but it may be used independently as a reference work. Included are general maps showing the sources of traffic and the present transportation systems of the United States; territorial maps which define the classification, freight rate association, and rate adjustment territories; and maps of the routes of representative Class I railroad systems.

Explanatory text precedes the maps, and those that are complementary are so indicated in the notes on freight classification and rates.

Safeguarding American Ideals, by Harry F. Atwood. Laird & Lee, Inc., Chicago.

It is the belief of the author of this book that in recent years we have been drifting away from the ideals upon which our Republic was founded, and which have marked its progress. In it he sets forth those ideals and points a way out of present difficulties.

It is an effort to set people thinking and to answer the question which so many are asking themselves: "What is the trouble, and what can I do to help?"

The Balance Sheet, by Charles B. Couchman. The Journal of Accountancy, New York, 1924.

A statement that serves for the measurement of the wealth of an individual or of an organization is likely to command respect, but the symbolic significance of the statement is quite likely to be lost upon all except the expert practitioner of accounting. So it is that Mr. Couchman brings his ripe experience to give understanding of the balance sheet. The essential principles of the science of accounting are made clear in his book, and the terminology of its practice becomes meaningful. With the theory, foundation, and elements of the balance sheet are presented definitive discussions of assets, intangibles, good will,

liabilities, capital and capital stock, surplus, and reserves. Both student and practitioner are served by Mr. Couchman's contribution to the literature of his profession.

Office Organization and Practice, by Amy Weaver. Ginn & Co., Boston. \$1.00.

A very complete text-book on office practice, for use in secondary schools or business colleges. It discusses office equipment, office service, functions of the different departments in an organization, filing systems, purchasing systems, desk efficiency, correspondence, business opportunities, etc. It covers, in fact, every phase of business practice which it is important for a young man or woman to know before entering the business field.

Oil: Its Treasures and Tragedies, Part 1, by Oscar H. Reinholt. Published by the author.

A handbook of oil, its sources and uses, aimed peculiarly at the man with the motor car but of service to anyone who would acquaint himself with some facts about one of the world's great international problems.

Practical Experience in Modern Business Correspondence, by Hiram N. Rasely. The Boston Chamber of Commerce, Boston, 1924.

The average business letter costs the sender about 42 cents, says Mr. Rasely. To reduce that cost is a present opportunity for the business community. The Boston chamber has recognized that opportunity, and it now provides a timely emphasis of the principles that govern the writing of constructive letters—letters that build business.

Portland Cement Prices, by Henry Parker Willis and John R. B. Byers. The Ronald Press Company, New York, 1924.

A detailed discussion of the prices of Portland Cement—their fundamentals, how they are arrived at, their uniformity, and a comparison with prices of other commodities. It includes an account of the history of Portland Cement and contains many interesting charts and graphs.

Accounting Principles Underlying Federal Income Taxes, by Eric L. Kohler. A. W. Shaw Company, Chicago and New York, 1924.

An interpretation of Federal Revenue Acts as they apply to the current year, intended rather for the layman and student than the accountant. The author is both a practicing accountant and professor of accounting at Northwestern University.

Psychology, by Horatio W. Dresser. Thomas Y. Crowell Company, New York, 1924.

Recorded as a business book since it devotes one section to "Vocational and Industrial Psychology" with chapters on "Business Success" and "Advertising and Selling."

Economics For Everyman, by James Edward LeRossignol. Henry Holt & Co., New York, 1923.

An easily read handbook, apparently intended for the use of classes, prepared by the Dean of the College of Business Administration of the University of Nebraska. It is interesting to note that his chapter on business cycles is headed "Ups and Downs of Business," an interesting move towards simplification in language.

Service Monographs of the United States Government, The Customs Service, Bureau of Immigration. Institute for Government Research, Johns Hopkins Press.

Roget's Treasury of Words, by C. O. S. Mawson and Katherine A. Whiting. Thos. Y. Crowell.



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SECTION 28 has thrown all canyons into confusion and dismay. *Commerce and Finance* says they "recollect few national measures which have had so few friends. . . ." Discussion waxes hotter daily, and protests pour in to fill the ears of those in power to do and to undo. Following is a brief description of this new pest that is abroad:

The Interstate Commerce Commission has issued orders making effective, on May 20, Section 28 of the Merchant Marine Act, which will give preferential rates on the railroads to all such shipments as are carried in American bottoms.

Commerce and Finance excuses the Interstate Commerce Commission on the ground that it "found that the law was mandatory and that it had no other course than to issue the order." But, whoever is responsible—evidently the Shipping Board, which gave the order which the Interstate Commerce Commission had to put into effect—the fat is in the fire and sizzling. "That the scheme will work is highly improbable," pursues the journal. "Exporters and railroads are widely opposed to it, of course, as it restricts their facilities. Shipping men themselves admit the possibility that the conferences will break up and a rate war be precipitated in which American vessels would fare badly, unless the effect of the section should be nullified by the grant of a differential to foreign vessels sufficient to offset the rate difference. A constitutional test of the section is in order, or it may be taken up through diplomatic channels on the ground that it violates treaties. It obviously invites retaliation."

Protest New Marine Ruling

THE ANNALIST, in an article by S. G. Riggs, points out the same danger hinted at in the preceding paragraph—namely, that this device threatens international relations, involving "discriminating duties" against which we are bound by treaty. It asks, "How will it affect our shipping, our shippers and our railroads?" One result to shippers will be as follows: Seeking to take advantage of the rail rate premium on American ships, exporters from this country will often be delayed, when, if free to ship in foreign bottoms, an earlier sailing could be secured.

"British shipping will be adversely affected more than that of any other country," continues the journal. "Will she 'impose such prohibitions . . . upon the ships of such foreign country,' as her customs law has provided? At Geneva, an agreement was signed by Great Britain with other nations undertaking to refrain from all discrimination of an unfair nature or directed against other contracting states, their nationals and vessels." But the United States was not represented there.

The Shipping World, published in England, considers that "There are clauses in commercial treaties which are inconsistent with Section 28 of the Jones Act and these cannot lightly be set aside by an arrangement between the Shipping Board and the Interstate Commerce Commission. Diplomatic protests are certain to be addressed to Mr. Hughes at Washington, and to these some satisfactory answer must be given before any differential rates can be arranged for." International protests have already been filed, we understand, officially by Japan, and unofficially by Great Britain.

One Publisher Likes It

EXPORT TRADE AND FINANCE stands almost alone in acclaiming the measure, hailing it as "a wise step," though it admits that "it is not an altogether satisfactory solution of our shipping difficulties"; only because Congress has failed to pass any ship subsidy bill is this measure acceptable as a lesser evil than no effort at all to develop a merchant marine. Until the at-

tempt to dispose of the Shipping Board fleet of 1,335 vessels meets with success, the United States must operate as best it can. The only question is: How can it best?

In order to meet the low rates of foreign ship competition, American ships must offer at least equally attractive terms. Something must be found to offset the resulting loss to the American shipowner, operating as he does under a handicap, and the only solution to date seems to be the advantage offered by Section 28. The general opinion, however, seems to negative that argument. The gain is held not worth the cost.

Consternation on behalf of the southeastern exporters of lumber, who "look with alarm upon the operation of" this measure, is voiced by *The Southern Lumberman*. . . . If, because of preferential inland rates, cargo is forced to move on American vessels, the shortage of shipping will become acute, with disastrous results.

Foreign Interests Plotting?

THE MODERN MILLER says the Shipping Board "has started an inquiry to determine how much foreign interest is behind the demand that Section 28 be not put into operation. This inquiry will apply especially to manufacturers of dealers in oil and flour. The National Petroleum Institute has asked the board for a date next week, and the Millers' National Federation has filed a protest with the Interstate Commerce Commission."

Railway Age says there "will very likely be a marked disturbance in the routing of traffic due to the rate relationships. It seems likely that certain of the ports . . . will suffer because business for export now moving through them will be directed at other ports," and adds, "Much business may be diverted through Canada. Ports that may suffer are Boston, the Southern Atlantic ports, the Gulf ports and the Pacific coast ports," pointing out also that "great opportunity is offered for errors in waybilling." The journal concludes, "We have here an unfortunate situation. Those in authority in the railway field should get together with those in the marine field and work this out."

The coal exporters are among those anxious. *The Black Diamond* asserts. They are worried about their transshipment rates. The paper thinks there "seems to be some doubt as to whether the Interstate Commerce Commission or the Shipping Board should rule as to the status of transshipment rates on coal."

The McNary-Haugen Bill:

"It Must Not Pass"

CONFIDENCE in the integrity of President Coolidge is evinced by the *Price Current-Grain Reporter*. It says that "there are misgivings on the part of some conservative grain dealers that the McNary-Haugen bill may possibly become a law. It is realized that, in spite of President Coolidge's declaration against all forms of price-fixing legislation, it is a presidential election year and the vote-getting possibilities of the McNary-Haugen bill are very alluring."

The President's record of the past does not indicate that he would stoop to such a servile course of action as to affix his signature to the passage of pernicious legislation for vote-getting purposes. That great pressure is being brought to bear on the President for the passage of this uneconomic legislation is very evident, but we believe that he will not be swayed from his previously declared position regarding such legislation.

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theory of the bill," for the benefit of those unfamiliar with its proposals, as follows:

The so-called McNary-Haugen bill now being considered by Congress at Washington, D. C., is intended to create an Export Commission and an Export Corporation. Through these organizations the bill aims to increase the price in this country of wheat and many other commodities to a so-called "ratio" price so that the price of wheat, etc., in this country will be in the same relation to the price of "all commodities" as was the case for the ten-year period from 1905 to 1914, inclusive. Those favoring the bill hope to accomplish this result through the purchase in this country by the Export Corporation of the theoretical exportable surplus at the "ratio" price, which would be very much higher than the world's level of prices, and the resale abroad of the exportable surplus at the world's price level. Those favoring the bill believe that this will result in the price level in this country being maintained at the "ratio" price perhaps one-third or more above the world's price level.

The losses incurred in the sale of the exportable surplus abroad and the cost of operating the commission and corporation are to be shared by the growers of wheat, etc., on a bushel or unit basis. The wheat grower, for instance, would be compelled to accept so-called "scrip" in part payment for his wheat in such an amount per bushel as it is estimated will cover the loss on the sale abroad of the exportable surplus and the cost of operating the commission and the corporation.

Mr. J. F. Ried, president of the Minnesota Farm Bureau Federation, is quoted as saying that "enemies of the McNary-Haugen bill have little ground on which to stand because they offer no other remedy for the plight of farmers." But *National Stockman and Farmer* comes back with this: "Frosted fodder is proverbially better than no feed, and there are many inferior things that are better than nothing, but vicious legislation is not among them. That is always worse than no legislation."

In support of the other side, again, comes news that the National Grange has endorsed the bill, regarding it as "an emergency measure," and is "agreed that it should pass with some amendments and limitations."

Growers Who Oppose

BUT THE Oklahoma Wheat Growers' Association stands committed on the rejection side. Excerpts from their resolution follow:

Therefore, be it resolved, That we, the Oklahoma Wheat Growers' Association, do hereby enter our most solemn protest against this threatened act of Congress which forces us into an expensive Federal Marketing Agency; which usurps our right of freedom to deal with our own business affairs, the effect of which would be to destroy our own organization built up at a cost of time and expense to our membership to deal with this problem, which places the farmer of our section in the hands of those who will be located far away from us, beyond our control and not under our supervision.

The Prairie Farmer, backing the measure, states that even its bitterest opponents "concede that it will increase the price of wheat and hogs. . . . It will increase the farmer's selling price. That is what we want above all else."

Wisely, *The Iowa Homestead* suggests to farmers that they "study this bill and find what it really means." This journal asks some pertinent questions:

Who is to bear the investment involved at the outset in the purchase of scrip? Will the cooperative elevator, for example, be able to exist under a system which compels it to tie up in every bushel of wheat or corn handled from five to ten cents worth of scrip which it buys from the post office?

The McNary-Haugen bill is simply one more of the many efforts made to fool the farmer

by legislation which does not strike at the roots of the problem of low farm prices. It is an attempt to increase farm prices without eliminating the middlemen. It is an effort to devise a system which will not bother the grain gamblers, the brokers, the commission men or the packers.

Wallace's Farmer, in favor of the McNary bill, charges "Mr. Nobody"—"One of the leading workers against farm movements of all sorts," not only with having published an article in half a dozen papers, and sown circulars broadcast attacking the bill, but with hiding behind an "anonymous" smokescreen: "From the distribution of these circulars," the paper says,

it would seem that they should have been signed by the National Livestock Exchange or the Livestock Exchange of Chicago, or of St. Louis, or of St. Joseph; but they weren't. Nobody signed.

If the Board of Trade wants to fight the McNary-Haugen bill; if the Livestock Exchanges want to fight the cooperative shipping of livestock, let them send out their propaganda under their own names. It's a low-down trick to drag Mr. Nobody in to do their work for them.

Federal Trade Commission

Curbed and Business Is Pleased

WASHINGTON comes in for sharp criticism at the hands of *The Southern Lumberman*, which stigmatizes our government as "a bureaucratic government of the worst type...." "Prominent," it says,

among the most objectionable of the many objectionable bureaus has been the Federal Trade Commission. This body was originally formed with the beneficent idea of helping the business interests of the country; but the business men would be glad to be spared any more help of that sort. The commission apparently started out with the assumption that all business men were crooks and swindlers, and the "fishing expeditions" were a natural outgrowth of that state of mind. Now the Supreme Court has forcibly reminded the commission that even a commission is amenable to the laws and to the Constitution, and it will be well if this will serve as a curb to the pestiferous activities of that body.

The cause of the *Lumberman's* satisfaction is the action of the Supreme Court recently, in a unanimous decision written by Associate Justice Holmes, denying the Federal Trade Commission its right to seize for investigation certain papers and documents of the American Tobacco Company and the P. Lorillard Company, Inc.; The tobacco companies resisted and were upheld. The Supreme Court has ruled that the commission has no authority to make such search and seizure. "It is contrary to the first principles of justice," the court declared, "to allow a search through all the respondent's records, relevant or irrelevant, in the hope that something will turn up." *Drug & Chemical Markets* characterizes the ruling as "one of the most important decisions handed down by the Supreme Court in a number of years, in so far as it relates to the right of the Federal Government to interfere with business transactions, and it is believed to be a severe blow to the power of the Federal Trade Commission." *The Iron Age* starts its report of the matter with the head—"Prying Into Private Papers," and *The Black Diamond* refers to the "effrontery" of the Federal Trade Commission, and considers the case especially important from their point of view "as giving a line on what the attitude of the court may be in deciding cases relating directly to the coal industry." The occurrence is held "a parallel case to the many which this same Federal Trade Commission has instituted in the coal industry...."

The National Provisioner thinks that the tobacco people hadn't it as bad as the packers, at that. "In the packers' case the department wanted to impose a permanent and continuous spy system." *Oil, Paint and Drug Reporter* calls it "another growing tendency toward autocratic

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exercise of governmental power" that "has been checked. . . . Business firms . . . should insist that something more in keeping with judicial procedure than a card or a badge be presented as authority to 'fish' in their files."

"A good example of commissions is the Federal Trade Commission," says *American Lumberman* caustically. What it thinks of commissions is too long to quote!

Commerce and Finance, in a spirit of fair play, points out that "perhaps Congress is more to blame than the commission, for it was in obedience to instructions by Congress that the tobacco investigation was begun." (But that's another story.)

The Confectioners' Review, applauding President Coolidge's effort to appoint a business man to the Federal Trade Commission, asserts that the commission "was intended as an aid and an ally of the business man, and not as a school-master or prosecutor," and that it

has meddled and fussed with all sorts of theoretical questions . . . and prosecuted some cases when all that was needed was advice or admonition.

More than two-thirds of the cited complaints have been dismissed by the commission, but, in the meantime, public pillory was visited upon the accused. Ultimate dismissal was the result of a third of all the charges it did bring, and three-fourths of all the decisions appealed to the courts were reversed. This is a condition that should be removed. The commission must contain a few men who understand business and its problems, so that there will be less exploitation and annoyance. Experience has shown that business men are as jealous of the ethics of their calling as lawyers or the other professions, and rarely is a practice ever called to trade attention by trade associations without its being corrected promptly. . . . Heretofore the chief qualifications for an appointee have apparently been a political following, a blank mind, and an abiding sympathy with the exploiter and reformer.

It would seem that more than one journal entertains a poor opinion of the commission's wisdom. Hear what uncomfortable words *The National Stockman and Farmer* has to say. "It is reported that President Coolidge will appoint a farmer to the Federal Trade Commission. A farmer or any other man with a headful of common sense would help to overcome the most conspicuous deficiency in that official body."

There is little doubt that the decision handed down by the Supreme Court is relished by the public.

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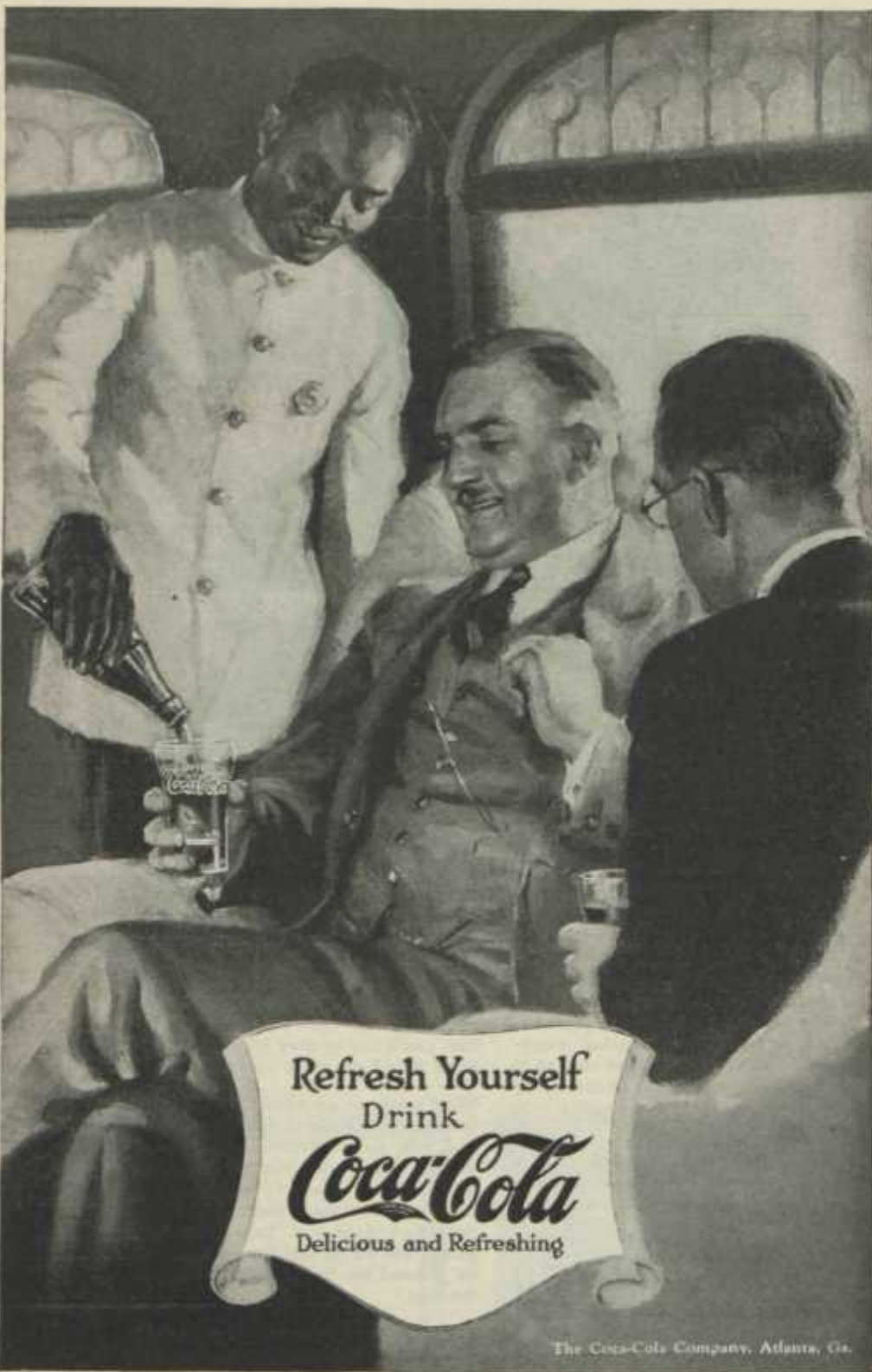
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traffic; as a consequence, when a motorist tries to drive into town, or out of town, he finds a traffic situation somewhat like that in a country town on circus day. Traffic, a creature of habit, congests in spots. The national highway system of the future will eliminate, as far as possible, all points of congestion; and highway traffic will move smoothly, swiftly and steadily.

Austin F. Bement, secretary of the Lincoln Highway Association, is quoted as believing "that in 1944 it will be possible for a motorist to leave New York City on the Lincoln Highway and drive on pavement all the way to San Francisco Bay."

Engineering News-Record publishes a chart showing automobile expenses over good ways of 4.22 per mile for gasoline, grease, oil, tires and repairs as contrasted with 6.72 per mile on poor ways. This is a dollars-and-cents argument in favor of road building—and good road building—which should come home to Mr. Average-Citizen-with-a-car.

Peaks and Depressions Are Worth Studying

THERE is something uncanny about the business of forecasting—and the uncanny always makes us skeptical and suspicious: It means the unknown, the mysterious. The processes of business forecasting are truly unknown to many business men who should be at least as familiar with a graph as a golf stick and as intelligent about cycles as over codes and ciphers. "Formerly," says *Pittsburgh First*, business prediction was "as uncertain as predicting the weather," but now it has "become an exact science."

System, in a round-table discussion among eminent economists and business men, asks: "Do we harp too much on the business cycle?" In answer, those who contribute to the discussion say:

Many who really do not understand what the so-called business cycle is all about evidence a tendency to junk and forsake the entire business cycle teachings because of a misunderstanding of what these teachings resulted in last spring.

Quoting Leonard P. Ayres,

It is intolerable that we should look forward complacently or indifferently to an indefinite future of these recurring attacks of business and industrial chills and fever. We do not harp too much on the business cycle, for it constitutes an ever-present menace to our national well-being. . . . The business man who does not know in what part of the business cycle he is at any given time occupies the position that the farmer would be in if he had a thermometer but no calendar or almanac. Such a farmer would know, perhaps, that the weather during the past week had been warm, but if this should lead him to mistake the Indian summer of the autumn for springtime, and to plow and sow with the expectation of gathering a harvest later on, he would be doing what business men do just at the culmination of each period of prosperity.

In an article by William R. Basset, *Factory* speaks on this matter from the point of view of unemployment. "Eliminate the great fluctuations in business which give us recurring periods of labor shortages and unemployment," it says. If we are to do this—and what achievement could be more far-reaching for good?—we must learn the facts about peaks and depressions, their cause and cure.

Outlook Good But No Boom

ANXIETY over the possible effect of the Washington revelations characterizes the business press. *Oil, Paint and Drug Reporter* says that "it speaks volumes for the stability of business that the effect of the upheaval at Washington has been so slight." *Iron Age*, pronouncing "the outlook for trade and industry in the

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NEW BOOK—JUST OUT

"THE GENIUS OF AMERICAN BUSINESS"

By JULIUS H. BARNES

President of the Chamber of Commerce of the United States

Complete announcement giving chapter headings to be found elsewhere in this issue.

When writing to THE COCA-COLA COMPANY and COLYTT LABORATORIES please mention *The Nation's Business*

United States" as "singularly free from menace," admits that "the year does not now promise to be so good a year as was being predicted in December. The common feeling is that a change has occurred" . . . the "change" being one of sentiment and brought about by the Washington investigations.

What *Commerce and Finance* calls "the most important economic news of the week" (the latter part of March), is the report from the Department of Labor showing that there was an increase, during February, of 6.7 per cent in pay roll totals, of 5.4 per cent in per capita earnings, and of 1.2 per cent in the number of persons employed, figures from 8,222 establishments in 52 industries being used as a base.

Voting on a Transportation Policy

A PROPOSED national policy of transportation development, looking to the coordination of rail, water and highway transport, was submitted on March 22 to the 1,200 organization members of the Chamber of Commerce of the United States. The result was to be announced about May 1.

The policy is formulated in a series of fourteen recommendations made by a Special Committee on Transportation of the National Chamber, of which Harry A. Wheeler, of Chicago, is chairman.

The recommendations upon which the referendum vote is being taken are:

1. The national transportation policy should aim at development and maintenance of an adequate system of rail, water and highway transportation with full cooperative service of all agencies that will contribute to economy and efficiency.

2. The important principles of the Transportation Act of 1920 should be continued without change until there has been further experience.

3. The principle of recapture of a fair proportion of excess railroad earnings should be maintained in the public interest as essential to the rule of rate making.

4. Supplementary legislation should be enacted in harmony with the general principles of the Transportation Act to facilitate consolidation by voluntary action subject to the approval of the Interstate Commerce Commission.

5. The policy of connecting and coordinating terminal facilities, with provisions for joint use prescribed by the Interstate Commerce Commission, be applied as rapidly as practicable.

6. In place of any attempt to deal with rates and other problems of regulation of common carriers through legislation—necessarily inelastic—such problems be handled by properly constituted federal and state administrative agencies.

7. Instead of any attempt at general reduction at the present time the existing administrative agencies, under their established methods and with all possible dispatch consistent with proper study and investigation, proceed with readjustment of relative freight rates.

8. Congress should direct the army engineers to make a comprehensive survey and present a definite plan and schedule of priorities for waterway development.

9. To determine more fully the possibilities of inland waterway transport under private operation and thus enable the government the sooner to dispose of the lines, the Secretary of War be given authority and funds to continue operation of the barge lines on the Mississippi and Warrior Rivers in accordance with good commercial practice.

10. Waterways service, including through rail-and-water routes and rates with suitable divisions of rates between the two types of carrier, be facilitated by public and private agencies wherever economically warranted and in the public interest.

11. Optional store-door collection and delivery with reasonable and separately itemized trucking charges in the published tariffs be established as rapidly as practicable by agreement between carriers and shippers, beginning at the centers of greatest congestion.

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CARS of freight that roll from coast to coast and over half the world's railroads—

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"I believe I have a right to speak about this, because I have proved everything I say by experience. I have increased my earnings more by 15 minutes' reading a day than I ever did by 8 hours' work."

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News of Organized Business

New Plan of Group Insurance

A NEW group insurance plan applicable to men engaged in the building trades has been prepared by the Industrial Association of San Francisco. Twenty-five trade associations and employer groups—representing fifteen thousand men and an aggregate of employee insurance amounting to \$15,000,000—either have adopted the plan or are in process of so doing.

The plan provides that without the necessity of physical examination, and at a cost of approximately 10 cents a week, the employee can obtain a \$1,000 policy covering death and total disability; and for an additional 17 cents a week, coverage also for sickness and accident. The employer pays the balance, approximately 50 per cent, of the cost of the insurance which is being issued, the association reports, at a 5 per cent lower rate than group insurance has been previously issued. Provision is also made that an employee may transfer from one employer to another, or may even be granted a six months' leave of absence, without forfeiting his insurance. Employers who have adopted the plan, the association says, testify to the increased efficiency and better spirit of their employees.

Relations of Town and Country

THE EXPERIENCES of the past, the uncertainty of the present, and the rapid economic and social changes affecting old institutions are slowly but surely focusing general attention on the social structures of rural life, says J. H. Kolb, in an analysis of the complicated mesh of relationships in which social groups are bound. Mr. Kolb presents his findings in a pamphlet with the title of "Service Relations of Town and Country." His analysis was made with the facilities of the Agricultural Experiment Station of the University of Wisconsin, and in cooperation with the United States Department of Agriculture.

The farmer and his family are continually dependent for all manner of services on agencies lying beyond the gate of their farmstead. Mr. Kolb explains; they join with neighbors for some of those services in neighborhood groups, and just beyond those groups they find themselves in contact with the small town or village. The six-fold service relation of town and country—economic, educational, religious, social, communication, organization—are discussed in the pamphlet and the mutual implications for the town and the country are indicated.

Farmers and Business Men Meet

FARMERS and business men of northwest North Dakota can be brought together every year to their mutual benefit, believes the association of commerce at Minot, and in expression of its belief it arranged for the Northwest Corn and Poultry Show and the Northwest Farmers Conference to be held jointly in Minot. The association is also trying to increase the growing of corn and the raising of poultry.

During the three days of the show and the conference, the farmers and the business men had opportunity to discuss their problems and to hear instructive lectures. Representatives of the extension department of the state agricultural college gave demonstrations of corn and poultry judging.

Medford Seeks to Know Herself

THAT the citizens of Medford, Oregon, might have dependable information on their city, a committee of the chamber made an investigation and report. The committee's findings were made available in a series of statistical articles in the *Mail Tribune* of Medford, and in a booklet with the title, "Medford Has Found Itself." The published findings are illustrated with charts. Of the city's business life, the booklet says:

Once upon a time Medford had a boom. Like most booms the Medford boom busted.

Also like most booms, the Medford boom was followed by several years of acute depression, rendered all the more painful by the contrast between abnormal activity and sub-normal activity.

That Medford boom has never been forgotten. Its after effects have never been forgotten. But what has been forgotten, what very few local residents have apparently realized, is that several years ago Medford recovered from this boom collapse, regained its normal health, and since then has been going steadily forward, until today Medford is in every way in better condition than it has ever been before.

One Way to Interest Settlers

INFORMATION on St. Louis County, Minnesota, is made available through the advertising directed by the chamber at Virginia. Names of prospective settlers are obtained through the advertising, and descriptive booklets are addressed to them, followed by a series of weekly bulletins and letters signed by the mayor of the city and by the secretary of the chamber. If a prospect then signifies his further interest in the county, he is sent the listings of farm land opportunities. Each listing has a code number, and if the prospect is interested in any one of the listings he is requested to give the chamber the code number.

The chamber has organized a local real estate board affiliated with the National Association of Real Estate Boards. When the chamber receives notice from a prospect of his interest in a particular listing his name is turned over to the real estate dealer who entered that particular listing. The Virginia chamber believes that it can direct the publicity campaign more effectively than individual real estate dealers. It can control the information sent out and make sure that it is authentic, and it can carry on a more comprehensive campaign than could individuals working separately.

Buttons Aid in Membership Drive

MEMBERSHIP buttons identified members of the chamber at Gastonia, North Carolina, during the recent membership campaign which was made without the usual prospect list and membership teams. The absence of a button invited solicitation for membership. Civic clubs were actively interested in the campaign, which added 234 new members to the roll. The secretary writes:

I know the plan is open to many criticisms, but it nevertheless worked, and we had reasons which to my mind in this particular instance offset the points open to criticism. In one case a man whom I knew would positively not line up as a worker on a regular campaign became so enthusiastic that after he had secured one member he kept on until he had ten.

Group Insurance Finances Building

A NEW building, with its site, is to become available to the chamber at Greenville, South Carolina, without solicitation of money from the membership. The building is to cost \$250,000. Through a special act of the legislature the chamber obtained a 100-year lease of the land on which the new building is to be erected. The project has been financed by an insurance company which agreed to issue a group insurance policy, in the endowment form, on the lives of the members of the chamber. With the issuance of the policy, the company undertook to buy bonds to the amount of \$250,000, and the money thus obtained is to be used for the construction of the building.

The revenue from the rents of offices in the new building, after paying operating expenses, will be used to pay the premiums on the insurance policies. The insurance company is made the beneficiary in the policy, and whenever a member of the chamber dies, the outstanding bonds are reduced by the amount of insurance



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You shovel your heater into your heater every single year

OR put it this way:

Suppose the original cost of your boiler was \$200. At present prices, your annual coal bill is about equal to this amount, or perhaps more.

An old-fashioned boiler often burns up its initial cost in coal each winter.

Now, if by replacing your old boiler with an IDEAL Boiler, you can reduce the coal consumption at least one-third, the saving

will repay your investment very soon. And every winter after that you will be receiving a dividend.

We want you to have a book about the IDEAL Boiler specifically designed for your size and kind of home. Write your name and address on a postal card, giving the number of rooms in your house, and send it to the address below.

Money is hard to save. Decide *now* that next winter and ever after you will have clean, healthful and economical warmth.



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This flexible service as auxiliary to rail is used by national selling organizations. The cost is as low as 10c per mile and no higher than 14c for any type Ford. Gear Shift cars 16c. You buy your own gas and oil.

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Atlanta	Loveland, Colo.
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Birmingham	Millwaukee
Chattanooga	Mobile
Cincinnati	Moline
Cleveland	Montgomery
Columbus	Nashville
Davenport	New Albany, Ind.
Dayton	Oklahoma City
Denver	Omaha
Des Moines	Peoria
Evansville	Rockford
Pt. Collins, Colo.	Rock Island
Galesburg	Springfield, Ill.
Houston	Springfield, O.
Indianapolis	St. Joseph, Mo.
Kansas City	Tulsa
Lincoln	Tuscaloosa, Ala.
	Washington, D.C.



carried on the member's life. Within 30 years the entire policy matures, the life insurance company gets back its \$250,000 and the chamber gets back its bonds and still has for 70 years the land and building free. At the end of 100 years the land and building revert to the State of South Carolina and Greenville County.

The plan of financing has been tested in the courts in a friendly suit, and the state insurance department has approved the arrangement for insurance. The chamber expects to move into the new building in the spring of 1925. The building will provide offices for the chamber, the county agricultural agent, and other officials of the county. It will also include an auditorium and banquet hall, kitchens and an exhibit room.

Prizes for Diversified Farming

TO STIMULATE greater diversification of farming in Kansas, the chamber at Kansas City, Missouri, offers \$1,000 in cash prizes to the four counties which show the greatest progress between March 1, 1924, and March 1, 1926. Reports of the Kansas State Board of Agriculture will be used in deciding the winners.

The contest is based on the number of farms reporting milk cows, increase in the total number of milk cows, increase in value of dairy products produced on farms, increase in number of farms reporting hens, increase in value of poultry and eggs sold, increase in number of cattle other than milk cows, increase in number of farms reporting sheep, increase in number of sheep, increase in acreage of alfalfa, increase in acreage of sudan grass, increase in acreage of sweet clover, increase in acreage of clover and other legumes, increase in acreage of sweet clover, total acreage of milo, kafir, feterita and other sorghums.

A similar offer was made available to Missouri counties.

Greeley Employs Geologist

THE DISCOVERY of gas and oil near Greeley, Colorado, decided the chamber at Greeley to provide for a scientific investigation of the field. For that purpose Charles S. Lavington, a geologist, made a geological reconnaissance of Weld County, in which Greeley is included, under the direction of Professor R. D. George, state geologist. With the findings of the investigators available, the chamber is now in position to advise land owners on the possibilities of striking oil or gas in Weld County, and to encourage legitimate exploration of promising areas.

Agencies to Place Men Free

IN ACCORDANCE with the general activity and aid of chambers of commerce in obtaining employment for veterans of the World War, the chamber at Kansas City, Missouri, has interested the employment agencies of the city in agreeing to place every rehabilitated veteran at least once without charge.

To facilitate the return of the service men to industry the chamber has arranged for meetings of employers, who will be told of the desirability of their assistance in training the men for particular jobs and of leniency at the beginning of their employment.

Salt Lake City to Advertise

TO ADVERTISE the city and the state, the chamber at Salt Lake City, Utah, has raised \$75,000. The money will be spent for folders, and for space in newspapers and magazines. The advertising will tell of the scenic features and of the industrial and agricultural resources and their development.

Business Men Found Trade School

TO ASSURE a sufficient number of skilled workmen, vocational training is to be provided at Dallas in a school endowed by business men. The school is planned to promote the industrial development of Dallas and the Southwest. Training will be offered in molding,



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plumbing, plastering, bricklaying and other trades, and instruction will be given in both the theory and the practice of the trade. A small fee will be charged for tuition, but a loan fund will be established for the benefit of boys who are unable to pay for their courses while they are students. Financial support of the school is guaranteed by contributions made by Dallas citizens, who have pledged about \$500,000 in behalf of the enterprise. Equipment for the first units of the school is soon to be available.

The school is chartered under the laws of Texas. The charter provides that the control of the school shall be vested in an advisory council of one hundred citizens, who are to serve for life. The council of one hundred citizens was selected by the board of directors of the chamber of commerce, and all vacancies in the council will be filled by the directors of the chamber. This arrangement is to make certain that the control of the school will be held by citizens who will manage its affairs to the best interest of the community. From the advisory council is selected a board of twenty-one directors for the active management of the school.

No question of the open or the closed shop has had place in the organization of the school, nor is any question of the kind to be included in the instruction.

Citizens Raise Money for Hotels

A NEW hotel has been opened at Hoquiam, Washington, through the initiative of the Commercial Club. To finance the project 651 citizens subscribed to an issue of bonds and stock amounting to \$300,000. The bonds were sold at \$90 each and carried 6 per cent interest; the stock sold at \$10 a share. Civic clubs cooperated with the Commercial Club in raising money for the hotel, and less than 1 per cent of the money pledged remains uncollected.

Citizens of Texarkana, Texas, have raised \$601,000 for a new hotel, to be financed entirely through the sale of stock. There is no preferred stock or bonded indebtedness. The financial arrangements for building the hotel were managed by the chamber of commerce.

Closer Contact for Civic Progress

COMMUNITY development has fresh impetus in Kansas City, Missouri, through the organization of a group of one hundred representative citizens who were selected on request of the directors of the chamber of commerce by the eighteen former presidents of the chamber now living. The group includes men and women. It will establish contacts with other organizations which may be working toward a common purpose, and it will serve under the name of United Counselors.

Chamber Supports Forestry Bill

THE IMPORTANCE of the McNary-Clarke Bill in making effective the Chamber's approval of a comprehensive national forestry policy, as recorded by a referendum vote taken in November, 1923, on the report and recommendations submitted by a special committee, is pointed out in a letter to the national councillors of all member lumber and wood-using associations from the Natural Resources Production Department of the Chamber. Of the bill W. DuB. Brookings, manager of the department, says:

Its measures in furtherance of fire prevention, assistance to farmers in developing wood lots, distribution of seeds and young trees, and the inclusion in the national forests of public land areas suitable primarily for growing forests, are in keeping with the principles of Referendum 42. The provisions in the McNary bill for a national study of conditions within the different regions to determine the best methods of tax reform, fire prevention, forest practices for perpetuating forest growth and methods of insuring standing timber against losses by fire, pest and tornadoes, are also in keeping with the recommendations of Referendum 42.

For these reasons, the Chamber is supporting the McNary bill, and appreciating the



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BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	DALLAS
PROVIDENCE	YOUNGSTOWN	WHEELING	ST. LOUIS	HOUSTON
PHILADELPHIA	AKRON	ERIE	KANSAS CITY	FORT WORTH
BALTIMORE	CANTON	CHICAGO	OMAHA	SAN ANTONIO
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	LOUISVILLE		SAN FRANCISCO	

FEDERAL TAX OFFICE, 910 TO 918 MUNSEY BLDG., WASHINGTON, D. C.

support which was given by your organization and others in formulating a national forestry policy, hopes that it may enlist your support in behalf of the McNary bill.

The Chamber's support of the bill was made known to President Coolidge by Elliot H. Goodwin, resident vice-president of the Chamber, and W. DuB. Brookings, who called on the President at the White House.

Seattle Checks Business Monthly

A LOCAL business survey is issued every month by the research department of the chamber at Seattle. The survey has included reports on the business outlook, building construction, finance, retail trade, manufacturing, shipping, tourist travel, lumber, fisheries, crop conditions and production in the state, and employment.

Coming Business Conventions

Chamber of Commerce of the United States, Cleveland, May 6-8

Date	Place	Organization
May 5	New York	National Association of Printing Ink Makers
5-8	Indianapolis	National Leather and Shoe Finders' Association
6	Boston	American Cotton Waste Exchange
6-7	St. Louis (2)	Associated Coopers Industries of America
6	New York	Music Publishers Protective Association
6-8	New York	Western Insurance Bureau
6-9	Detroit	Retail Delivery Association of the National Retail Dry Goods Association
6-9	Montreal	Air Brake Association
7	New York	National Bureau of Casualty and Surety Underwriters
8-9	Chicago	National Association of Taxicab Owners
12-15	New York	American Booksellers Association
12	Philadelphia	Atlantic Coast Shipbuilders' Association
13-16	Dallas	American Wholesale Grocers' Association
13-14	Cleveland	National Pipe and Supplies Association
14	Cleveland	American Short Line Railroad Association
14	Cleveland	American Spice Trade Association
14-15	New York	National Association of Stone Manufacturers
2d week	Richmond	American Iron, Steel and Heavy Hardware Association
18	Rye, N. Y.	American Dental Trade Association
wk. of 18	New York	Musical Supply Association of America
wk. of 18	New York	Music Industries Chamber of Commerce
wk. of 18	New York	Band Instrument Manufacturers' Association
wk. of 18	New York	Committee of Phonograph Manufacturers
wk. of 18	New York	Music Publishers' Association of the United States
wk. of 18	New York	National Association of Music Merchants
wk. of 18	New York	National Association of Sheet Music Dealers
wk. of 18	New York	National Musical Merchandise Association of the United States
wk. of 18	New York	National Piano Manufacturers Association of America
wk. of 18	New York	Organ Builders' Association of America
19-21	New York	National Association of Manufacturers of the U. S. A.
19-21	Cleveland	Southern Supply and Machinery Dealers Association
19-20	Chicago	Certified Milk Producers Association of America
3d week	Chicago	Refrigerating Manufacturers Association
20-23	Boston	Linen Supply Association of America
20-23	Chicago	Master Boiler Makers' Association
20-23	Boston	National Association of Purchasing Agents
21	Boston	National Coal Association
21	New Orleans	Southern Cypress Manufacturers Association
22	New York	National Board of Fire Underwriters
22	New Orleans	Rice Millers Association
23	New York	American Iron and Steel Institute
27-29	Swampscott, Mass.	National Paper Box Manufacturers Association
27-28	Swampscott, Mass.	American Cotton Manufacturers Association
27-29	Atlanta	Southern Retail Hardware and Implement Association
27-29	Atlanta	Southeastern Retail Hardware and Implement Association
31	New York	United Wall Paper Crafts of North America

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Thinks Rubin Wrong

WE ARE still receiving comments on Jacob H. Rubin's article in the February number, "Russia Ended Socialism for Me." Most of them are favorable; but L. A. Mekler, a consulting engineer of Chicago, writes:

I also am a Russian by birth, and an American by adoption. I do not and cannot boast of radical ancestors, and neither in the past nor in the present could be considered a radical myself. I also get news from different parts of Russia, from friends, mostly professional men, members of the pre-revolutionary well-to-do class. While Russia is far, very far, from being "Heaven on Earth," while there is a lack of many things considered necessities in this country, while many of my friends accustomed to mansions and the luxuries of continental life have now to live in two- and three-room apartments and watch the pennies, they all emphasize a gradual improvement of conditions in Russia; and none of them laments about "poor Russia" or curses the Bolsheviks.

You will probably agree with me that Sr. Mussolini, the Italian Premier, can hardly be counted among the friends of the Bolsheviks, and that he may have as reliable sources of information about Russia as Mr. Rubin's. Sr. Mussolini's information induced him to afford a *de jure* recognition to Russia, and enter into elaborate trade agreements and concessions with that country. The same is true of Great Britain and Sweden, who recognized Russia about the same time.

If recognition by about twelve different countries, of Russia, can by some people be credited to politics rather than economics, I should like to quote from purely economic reports, two by Englishmen and one by an American:—

Sir Donald Mann, builder of railroads, after returning from a trip to Russia last autumn, when interviewed regarding his experiences there, said, after deliberation:

"It is quite possible that Russia will be the first European country, engaged in the war, to recover. All classes in Russia, from the Government down, are working hard and are very anxious to make good. They want to put their house in order. Everybody told me there is no alternative to the present Russian Government."

Travelers Report Progress

F. L. BALDWIN, brother of the last British Premier, and director of Kenneck & Sons, Ltd., of England, who, with a party of British business men consisting of Sir Charles Wright, of Baldwin, Ltd., Mr. T. Carter, of Crosby Bros., Ltd., Mr. J. M. Denny, of Denny & Co., Maj. Barley, of Nobel Industries, returned about the same time from Russia, made the following statement:

"We got in touch with several opportunities for doing business, which I am sure will materialize satisfactorily. The thing that struck us all most, without exception, was the extraordinary ability with which they are struggling with the financial situation."

Mr. C. A. Tupper, president of the International Trade Press, Inc., of Chicago, publishers of trade journals, who is in close touch with trade circles of all of the European countries, in one of his articles states:

"Having at various times visited all parts of Russia, including Siberia and the territories of Central Asia, I have taken a great deal of interest in the efforts made by the Soviet Government, under the present Federation of Republics, to rehabilitate the cultural and economic life of the country; and in my judgment it is succeeding beyond all reasonable expectations."

The opinions of Mr. Mann, Mr. Baldwin and Mr. Tupper, I believe, should appeal to a business man much more strongly than the different "disclosures" of renegade radicals. It is really a pity that for some reason or another, in spite of facts to the contrary, certain parts of the American public prefer news similar to that contained in the article by Mr. Rubin, and that the bulk of the American press caters to this part in this matter. This attitude will not stop Russia's reconstruction, which has been going on with great strides in the last two years.



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Address.....

Chips from the Editor's Work Bench

IN THIS day the gospel of cleanliness is abroad in the land. Advertisements everywhere encourage belief that our civilization rests on soap—and that we are much improved with the laying on of lathered hands. In this country the industry has grown enormously, with an annual production of about 2,500,000,000 pounds.

The manufacture of soap has been traced to the time of Pliny the Elder. He reported its use among the Germans for coloring hair. The cleansing properties of soap were not utilized until the second century of the Christian era. Magnificent baths the Romans had, but their use of soap is questioned. Older civilizations were no better off in their knowledge of soap. The Orientals probably got



their soaps from Europeans. Not until the fourteenth century did the production of soap reach commercial importance—another side light on the "dark ages." Production centered at Marseilles and in northern Spain. Castile became famous for its soaps.

If it be true that cleanliness is next to godliness, a census of soap wrappers and laundry receipts would show how far we are on the way to salvation by the lower road. True, residual watermarks on the necks of myriad small boys might offset the gains made by their elders, but bathing is now so usual that it confers no distinction by novelty. The soap wrapper has become more than a scrap of paper—it commands a premium in this world, and it carries some promise of recognition in the next world. Civilization may yet be saved with soap.

MOTOR car travel is making over the characteristics of hotels along the highways. Old inns take new lease of life and freshly-painted signs flap in the wind. The meagre custom of travelers of stage-coach days did not require pretentious invitation. The speed and availability of the motor car have resulted in a tremendous interurban traffic. Motorists are attracted by pleasant wayside places of refreshment, and they are likely to be better customers for recognition of their means of travel.

So it is in England that tavern keepers have shrewdly trimmed their enterprises to accord with the spirit of the times. Signs on many inns and roadside hotels now bear new names taken from the nomenclature of motor transportation. A similar rechristening took place with the establishment of railroads, and there were those who mourned the passing of the good old days. As automobile traffic is established in rural regions it will leave a record of its passing. English highways that once were marked with the metallic tread of Roman legions now bear the softer tread of rubber tires—a sort of autograph, so to say.

Signs of an earlier day were much given to pictures and names of animals, birds and fowl done in bright colors—"The Blue Boar," "The Red Lion," "The Golden Dragon," and for feathered life, "The Black Swan," and

"The Grey Goose." Of all that array only the "Grey Goose" could claim kinship with the motor car—its "honk, honk" is now the international password, a countersign to open any tavern door.

FROM a western railroad company comes word of a new type of coach for commuters. The seating capacity may be increased 25 per cent, the designers hope. One road has put in service cars which provide a seat for three persons on one side of the aisle, and a seat for two on the other. Two passengers may walk abreast in the new cars, the company explains, and to facilitate their use the seats are made without arms. The new type of car has a carrying capacity of 117 compared to 88 for the standard steel coach.

The fare of the commuters has become increasingly important, but how have the commuters fared? In 1890, one road computes, the commuter traffic was only 38.66 of the traffic entering the Grand Central terminal, but at the end of 1922, this commuter traffic had risen to 57.61 per cent of the total. The regular traffic which stood at 61.34 in 1890, had slumped to 42.39 per cent in 1922. A considerable increase in the capacity of cars by remodeling would relieve the present pressure on the trackage facilities of the terminal. A similar pressure has developed at the Pennsylvania terminal.

Even though proud mothers may resent the chant—"He don't belong to the regulars, he's only a commuter!"—they may be solaced with seeing their boys help to outnumber the folk inbound from the farther provinces. But why all the concentration on the design of the cars? Are not the commuters susceptible to modifications toward less bulk? There was some early nonsense about the container being larger than the thing contained. . . . but what is space when the spirit is strong and the flesh of the commuter is weak? And a commuter in the car is worth two on the platform.

THE FOOD value of pies is not worth the time spent in their making, says the Farm Extension Service of New Hampshire to the farm women of the state. The extension workers seek to reduce the burdens of farm life. They find that the average farm woman in New Hampshire labors nearly 4,000 hours—an 11-hour day, including Sundays and holidays. That conclusion was based on charts kept by representative farmers' wives.

By all means let the women have a taste of leisure. But whoever rated a pie for its food



value? Pies are national institutions. They have become big business, and are now featured by some bakers. Pies get down to our very beginnings—the mud pie of childhood is close to our organic dust. And what an essence of cheer is the pastry of mincemeat at Christmas.

Away with the heresy of testing the value of pies with time. Their importance is not so measured. We live and die in the character of pies—pretentious, half-baked pastries of un-

Lead makes it safe to telephone even when the lightnings play



PLAIN gray lead seems a stupid, lumpish metal. Yet when thunder crashes and lightning flashes around your house, that same lead enables you to use your telephone without danger of electrocution.

Lead is the principal part of the fuse which is used in the modern telephone system as a protection against unusually heavy electric currents. When a lightning bolt reaches the fuse, it melts the lead of the fuse. This stops the current and prevents it from reaching your instrument.

There are about 76,000,000 fuses in telephone systems in the country, and lead is in them all. More than 27,000 pounds of lead are used every year in renewing burned-out fuses.

How lead helps you phone

Every time you telephone you summon the help of lead. In the telephone instrument and box is an average of 51 soldered connections. Lead is in all of them. Exchanges in the United States and telephone lines running out of them have billions of soldered connections, with about 322,000,000 pounds of lead in them. Changes in connections require the use of about 70,000,000 more pounds of lead every year.

Sheaths of lead

Millions of pounds of lead are necessary to provide snug coverings for telephone cables. Today there are in this country about 82,000 miles of telephone, telegraph, radio and electric light cable covered with lead—327,300,000 pounds of it. Along this cable are more than 6,000,000 pounds of lead for connecting and sealing the ends of cable to keep out moisture, and for terminal boxes.

In telephone systems, you do not see it or realize the important work lead is doing. But in paint, lead in the form of white-lead, the basic lead carbonate, is known the world over.

It is this use of lead that is most universal.

For generations painters have used white-lead on such surfaces as wood as standard protection against the assaults of the weather. Rot cannot destroy the house whose surfaces are covered with pure white-lead and pure linseed oil.

Property owners know from experience that white-lead gives the surest protection for the surfaces of their houses. These owners have learned the truth of the words, "Save the surface and you save all." They realize now that the cost of good paint is secondary to protection of the covered surface.



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If you wish to read further about this wonder metal, we can tell you of a number of interesting books on the subject. The latest and probably the most complete story of lead and its many uses is "Lead, the Precious Metal," published by Century Co., New York. Price \$3.00. If you are unable to get it at your bookstore, write the publisher or order thru us.



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President of the United States Chamber of Commerce

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Mr. Barnes has brought the lessons of economics home to us in a hundred ways. He is perhaps the most widely quoted business man in the United States today. He makes his points, then supports them with the facts. He says his say calmly, forcefully, interestingly in his new book, "The Genius of American Business," just published by Doubleday, Page & Co., New York. Every chapter in it has been drawn from his speeches and therefore contains the warmth and human interest of the spoken word.

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5-24

certain filling to become no more than dirt pies, with hope of having our upper crust raised or remembered.

WITH the modernists and the fundamentalists laying down a heavy barrage of texts to bolster the morale of the faithful, proposal is made for more church advertising in the newspapers. The messages would be addressed to the "man on the street." Advocacy of the press in widening the appeal of the church was made by the Rev. Dr. Reisner, president of the church advertising department of the Associated Advertising Clubs of the World, when preaching at the Chelsea Methodist church, New York City.

The good doctor's suggestions have had expression from others. More and more, the facilities of the business world are turned to the use of the church. The motion picture and the radio have become missionaries in behalf of Christianity, and to good purpose. Theatrical and recreational equipment are already well-established in the interest of the church. And with its spiritual feasts there has been remembrance of the craving for earthly food.

With all the invitation to the "man on the street" is it not possible that he shall turn out to be as ephemeral and elusive as that statistical phantom, "the average man"—or that other fictional fraud, "the man about town?" But if the church can find them they are not likely to die without benefit of clergy.

MEN IDENTIFIED with uplift movements in New York City are to be recognized with an increase of wages—that is to say, the members of the union of elevator operators. Getting up in the world brings greater income in office than in loft or apartment buildings. Pay is scaled by stories.

Under the new rates for office buildings of nine stories or more, the chief starter will receive \$40 a week; the assistant starter, \$36, and operators, \$32 a week. For buildings of eight stories or less, chief starter, \$38; assistant starter, \$34; and operators, \$32. For loft and mercantile buildings nine stories or more, chief starter, \$30; assistant starter, \$28; operators, \$27. For apartment houses, nine stories or more, \$100 a month; eight stories or less, \$80 a month.

The increase of wages is progress in character with the slogan of the union. Men who continually raise others may be expected to become somewhat moved with their own power, and to turn it to their own benefit. So, even though there is no prospect of men lifting themselves with their own boot straps, the union has shown that men may lift their wages with their own elevators. "Going up! . . ."

AT THE Presidents' Day luncheon given by the Rotary Club of New York City, 120 members testified that at forty they were nonentities in the business world and had not begun their success. Each man represented a different line of business, and the aggregate number of their employes was said to be about 50,000. In response to a questionnaire, the presidents wrote brief business biographies. Four men born in small towns succeed to one born in New York, the biographies disclosed.

Ways and means of getting on in the world were notably different—60 per cent of the executives began work as office boys; of the rest, some were bank messengers, farm hands, grocery clerks, telegraph operators, and bakers' helpers—one was a cabin boy on a sailing ship, and one got his first job in a fertilizer factory. Most of the men left school before

they were fifteen, but an impressive number later managed to find time and means for university training. Only one man in ten was supported and educated by his family.

Not all the men had recipes for success, but those that were given showed a wide range of selection—"constant industry," "never work too hard," and "don't do anything that can be put off," are suggestive of the general variety.

This focus of human experience points to the conspicuous success that may be won after forty. Perhaps the adopted maxims were important to progress. Or the meeting may stand as fresh testimonial that at thirty a man suspects himself a fool, knows it at forty, and reforms his plan of life. But success does seem a little surer for office boys—youngsters who daily mark the quick and the dead are not likely to mistake Dame Opportunity for a book agent.

A BOSTON surgeon told a convention of his peers—if that is the word—that this is an age of hospitals, and that most of them are inefficient. This country has 7,000 hospitals, he said, with 500,000 patients, and 10 per cent of the population go into hospitals every year. Further, he asserted that among the most inefficient hospitals are those connected with teaching institutions, and among the least inefficient ones are some of the small hospitals.

Considering incorrect diagnosis, he charged that of 400 cases of bone sarcoma reported, virtually every one represented a mistake in diagnosis. Legs were amputated when they should not have been, and patients died without the operating surgeon knowing for sure whether they should have died or lived, he said.

Well, if the surgeons are to air their professional linen in public, laymen will look at the spectacle and wonder. The business of mending people is important to the nation and the citizens directly concerned. A surgeon may be satisfied with the patients who keep him, but the patients would probably be nearer cure with more assurance that the surgeons would keep them. It would seem that a surgeon and his patient are too soon parted. There is cold comfort for any one in receiving a package labeled "opened by mistake."

J PLUVIUS is hard to beat at his own game—so hard that during 1923 twenty-three insurance companies paid a good, round sum for failing to outguess him. The companies are members of the Rain Insurance Association. For insurance against rain the companies received in premiums approximately \$4,500,000. Included in the outdoor events for which insurance was written were baseball games, automobile races, fairs, and many sporting and amusement enterprises.

In casting up their accounts the companies discovered that summer showers usually came between 2 o'clock in the afternoon and 8 o'clock in the evening. The rates had been prepared on the basis of a 24-hour day—a circumstance that raised the odds against the insurance companies.

Buying insurance against rain is now a widespread practice, reports the association, now in its fifth year. The familiar rain check issued by major league baseball clubs is a sign manual of protection for the public and the club owners. No doubt it's easy enough to get an advance tip from the weather man. But how shall the companies know the true prophet? Anyone can set up shop as an oracle. The beard of the prophet may be deserving of respectful interest—but let us keep an eye on our umbrellas—and let us keep our rain checks dry.—R. C. W.

On the Street Corner

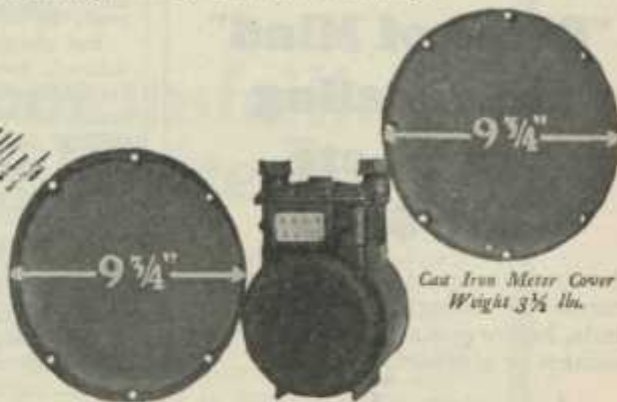
By chance, one of our consulting engineers saw a gas meter with a cast iron cover, lying at the curbstone, pending installation in a new dwelling. He noted the name of the manufacturer of the meter and later suggested to the maker the possibilities of a pressed steel part to replace the cast cover. Pressed Steel gave the meter manufacturer some unexpected advantages over the old cast covers:



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If pressed steel will not be useful he frankly tells you so and you are in no way obligated.

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America's Need for Selling the World

By O. K. DAVIS

Secretary, National Foreign Trade Council

AN ATTEMPT will be made to interpret and reflect the tides of world commerce in the twentieth century at the Eleventh National Foreign Trade Convention to be held at Boston, June 4, 5 and 6.

It is traditional that those who stick to foreign trade in good and bad years win out in the end. Any month now may see some solution of the reparations problem in Europe and any reasonable solution of the reparations problem means an advance in world trade. That may come tomorrow or it may not come until next year, but when it does come, with the political stabilization of Europe, if you are ready you are going to profit by it.

But should that stabilization of Europe be delayed, nevertheless there are many hopeful factors in the secondary markets of world trade, other than Europe, and these factors will be discussed at this convention.

This gathering is an exhibit of ideas, but of ideas representing things valued at forty billion dollars, the forty billion dollars' worth of American manufactured goods which draw on all parts of the world for crude or semi-prepared materials.

These things put Americans in contact with all humanity. This very print paper and the ink which makes it possible to read these words are international things. The paper may come from Sweden or Denmark in the form of wood pulp.

Things no longer have one permanent home. Rubber is grown in the Dutch East Indies and the Malay Peninsula. A hundred million dollars' worth of it is annually imported into the United States. Here it has literally thousands of uses. It is made up into manufactured articles and re-exported in some cases back to the place of its growth.

American cotton is king. Sixty-eight per cent of the cotton grown in the world is produced here, and thirty-seven per cent of it consumed. The rest goes to the world's ends.

The United States produces no raw silk, but there are more plants for the manufacture of silk in this country than for the manufacture of cotton.

The United States is the largest producer of steel in the world. Yet its steel industry is not self-contained. This industry requires manganese, just now purchased in Brazil, and when the steel is made the manganese goes back to Brazil in the form of bridges, or railroads, or automobiles, wire nails, tacks, and scores of other articles.

At this Boston convention will be discussed in the most serious manner possible the ways and means to develop commerce with what were once the secondary countries. It will be taken for granted that in a commercial sense, for many years, Europe cannot occupy its old preponderant role in politics and commerce.

As a whole, the United States has swung around from an exporter of raw materials and foods, and now imports more of these than it exports, and exports more manufactures than it imports.

Americans have abandoned the world-old use of flax for making cloth. But that does not mean that they have abandoned the use of flax. While the flaxseed crop itself has wandered from Massachusetts to the old frontier states such as the Dakotas, Montana, and the Northwest, and the crop is diminishing, yet the American use of flaxseed is constantly increasing. From twenty to thirty million

dollars' worth of American flaxseed is used annually, and another fifty million dollars' worth is imported, for use in the paint, soap, ink, oilcloth, and other industries.

Did we wish to, there would be no difficulty in becoming the first flaxseed exporting nation in the world, as we were in the early 90's. But it seems cheaper to buy the flaxseed abroad and use our soil for more productive crops.

There is still a prejudice in the United States against imports. This prejudice is a remarkable economic relic left over from the commercial conception of a century and a half ago, that a nation is only prosperous when "its balance of trade" shows that it is exporting more than it is importing.

There is no doubt that the United States is big enough to live entirely self-contained, by depriving itself of communication and commerce with the outside world, and limiting the comforts and convenience of its population. But this is not the trend of the world, which is each year becoming a smaller and smaller place.

The United States is now standing in the third phase of its commercial existence. The first phase ran for two and a quarter centuries, or at least until the War of 1812, when it was a reservoir of raw materials for Europe, with its merchant marine occupied in trading raw materials for manufactured products elsewhere, or else doing business as international carriers. The second period began after that war when American faces turned inland and America was to a high degree isolated economically and politically.

American foreign trade was all but strangled by the Civil War, when the internal problems became more acute and inland trading intensified. Since the Spanish War, in 1898, international trade and political relations of the United States have been growing, and have now through the World War come to these new horizons which look on China as just a step across the Pacific.

The handwriting is on the wall. There are some three hundred thousand industries in the United States making things. Nobody knows exactly how many industries there are, or how many things they make. There are twenty thousand and odd firms engaged in foreign trade. The exact number is not known. The number changes monthly.

With mass production, originated in the United States, with its vast accompanying technique for assembling things and selling things, the meaning becomes plain. The United States is obliged to sell to the world.

Adam Smith took an example that should be immortal. That was the pin. He showed that one man might possibly by his own efforts make a single pin in a day, but that with proper aid he could make four thousand. Since Adam Smith's time, one man and his machines may make, say, 200,000 pins a day. What is true of the pin has become true of the automobile.

This matter of the international aspect of imports will be discussed at the Boston convention. It may not be altogether understood even there, but it will be discussed.

Likewise this convention will discuss international finance, based on the fact that the United States has nearly five billions of gold coin in its Treasury, and that the other nations of the world have so little.

The theme of the convention may well be what it is—"Our Need for Wider Markets."



Bringing to your door unfailing resources of *Genuine* White Pine

OUT in the Panhandle of Idaho, fifteen hundred miles beyond the present lumber camps of Minnesota, there is another great resource of virgin White Pine—as true White Pine as ever grew.

There is enough of it—this *genuine* White Pine—in these two states, to care for all the legitimate requirements of industry for years to come.

White Pine is still the finest wood in the world for pattern making and similar uses which call for a close-grained, soft, easy working wood of lasting quality.

But not all the lumber sold as White Pine is *genuine* White Pine, by any means.

So Weyerhaeuser brands every piece of true White Pine with the species mark, "Genuine White Pine" and with the Weyerhaeuser trade mark.

The Weyerhaeuser mills are today the greatest producers of White Pine in America.

To bring these resources of *genuine* White Pine to your door is the work of the Weyerhaeuser organization, your local Weyerhaeuser dealer—and in particular of the Weyerhaeuser Service Man.

Through the Weyerhaeuser Service Man the responsibility

particular grades their work requires.

Then to see that they get it—the kind they want, *when they want it*—either through a local dealer or in carload shipments from the mill.

The Weyerhaeuser business today is a *specialist lumber service*—personal all the way through.

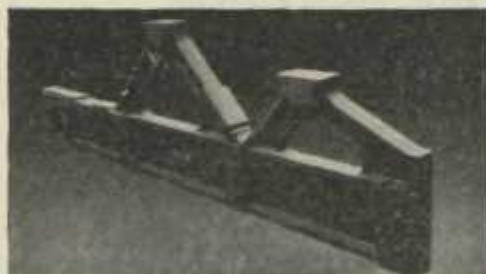
Practical help to the pattern maker is only one of the ways in which this service has developed.

Another service is to supply lumber for crating—and a specialized crating service that is saving shippers many thousands of dollars in crate costs, shipping weights and damage claims each year.

Also great timbers of Douglas Fir for factory and warehouse construction.

* * *

The Weyerhaeuser Service Man is now planning his engagements ahead. We should appreciate early correspondence from manufacturers and lumber merchants who wish to have this Weyerhaeuser personal attention.



It is apparent from this illustration of a White Pine pattern that pattern making is an art closely allied to wood carving, and calls for a soft, even-textured wood that will not warp or twist. That is why White Pine has for generations been the preferred wood for pattern making.

of Weyerhaeuser is carried right through to the user of White Pine and to his lumber dealer.

The Weyerhaeuser Service Man is a *specialist* in woods.

His job is to help users of *genuine* White Pine select the

WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA

Producers for industry of pattern and flax lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.

Also producers of Western Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington with branch offices at 208 So. La Salle St., Chicago; 220 Broadway, New York; Lexington Bldg., Baltimore; and 2694 University Ave., St. Paul; and with representatives throughout the country.



NORTON FLOORS



For Both Safety and Durability

For factory stairways, ramps and floors where there is heavy traffic and a slipping hazard Norton Floors are especially needed. They are slip-proof (wet or dry) and have wearing qualities many times that of any other floor material.

Alundum abrasive, the hard, tough abrasive used in the well-known Norton Grinding Wheels, gives Norton Floors their durability and slip-proof effectiveness.

There are types of Norton Floors suitable for every requirement of industrial or business construction—for the most elaborate office or the roughest of factory service.

NORTON COMPANY

Worcester, Mass.

New York

Chicago

Detroit

Philadelphia

Hamilton, Ontario

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A B C's of BUSINESS ECONOMICS

The employer who wants to educate his employees to a sounder understanding of practical economics will get a great deal of valuable, usable, simplified material from the series of articles on the A B C's of Business Economics to begin in the May NATION'S BUSINESS. The author is George E. Roberts, Vice-President, National City Bank, New York.

Government Aids to Business

The importance of shippers' export declarations in the compilation of export statistics is emphasized in Trade Information Bulletin 204, issued by the Department of Commerce.

Official Figures Rest on Export Declarations

In announcing the publication of the Bulletin, Dr. Julius Klein, director of the Bureau of Foreign and Domestic Commerce, says that responsibility for the completeness and accuracy of the statistics rests on the persons who prepare the declarations from which the government statistics are compiled—"if the declarations are faulty, the statistics will be faulty too." The export statistics give a useful basis for comparing the relative positions of foreign markets for American equipment, and the more illuminating the statistics, the more valuable will be the conclusions.

Explanation of the industrial machinery classifications, and directions for making an export declaration that will best serve the compilation of accurate statistics, are given in the bulletin, which is obtainable from the bureau or any of its district or cooperative offices.

Three years of effort at the experiment station of the Bureau of Mines, Seattle, Washington, has made possible a process

A New Process for the Making of Sponge Iron

for the production of sponge iron, announces the Department of the Interior. The development of a process by which sponge iron can be made cheaply from iron ore and low-grade oil, the department believes, and afterwards converted into iron and steel products by treatment in the electric furnace, would be of especial economic importance to the Pacific Coast region of the United States, a region remote from the larger iron- and steel-producing centers, but with cheap electric energy to take the place of the coke that would otherwise have to be utilized for iron and steel production.

Sponge iron, because of its porous structure and the consequent exposure of an extremely large surface of metallic iron, is especially adaptable to the precipitation of copper, lead, and other metals from hydrometallurgical solutions. The possibilities of sponge iron for purposes of precipitation should cause an expansion of processes involving leaching and precipitation, the bureau believes.

The process used by the bureau to produce sponge iron requires the passing of a mixture of iron ore and coal through a rotating kiln heated at one end to a temperature sufficient to convert iron oxide to metallic iron, discharging, cooling, and separating the sponge iron from the residual coke and siliceous material on a magnetic separator. Details of the experiments are given in Serial 2578, obtainable from the Bureau of Mines, Washington, D. C.

An analysis of electric service for rural homes has been made by Samuel S. Wyer, of the Smithsonian Institution, and his findings have been published with a foreword

An Analysis of Electric Service for Rural Homes

by Charles D. Walcott, secretary of the institution. From his investigation, Mr. Wyer concludes that:

The putting of labor-saving standards of the rural home on at least the same plane as the barn and the field is of national importance in the bearing that it will have in making for rural home contentment and welfare of the coming generation.

The desirability of electric service for rural homes cannot be debatable. The only open questions are how the rural consumer can meet the installation costs of the electric equipment and the operating costs of the service and whether it is better to extend high-tension lines

or generate electric current on the farm in a small isolated plant. In many rural homes the latter is the only feasible way, certainly for many years.

The electric heating of rural homes is not within the realm of the practical.

Electricity for cooking will cost more than other fuels. Furthermore, reduced rates for cooking as compared with other domestic service—except for quantity used—cannot be justified in social justice and nondiscrimination to all customers.

While there will be extensions to rural homes that are immediately adjacent to electric transmission lines, such extensions cannot become general because of economic limitations and a large percentage of the rural homes for the future, or certainly for many years, cannot enjoy the benefits of electric service from high-tension transmission lines fed from remote power stations.

A film showing the construction, operation, and care of an electric storage battery has been prepared by the Department of the Interior with the cooperation of the Willard Storage Battery Company. The film is now available for distribution under the free loan service of the Bureau of Mines. Requests for the loan of the film should be addressed to the Bureau of Mines Experiment Station, 4800 Forbes Street, Pittsburgh.

Storage Battery Construction in Moving Picture

The Collection of Data on Plastering Sand

Information available from its tests inclines the Bureau of Standards to hope that it may set a definite limit beyond which sand is not fit for plastering, and within which the proportion of sand that will give the best job can be indicated.

Mixtures of different limes and gypsums, and many kinds of sand, were used to make plasters for the tests. Determinations were made of water-carrying capacity, plasticity, time of set, shrinkage and tensile strength.

Some time ago the bureau made an examination of the plastering sands in use in fifty-two cities, with the intention of preparing a specification. That intention was modified when the preliminary investigation disclosed that it was not feasible because of economic conditions, which would operate against the enforcement of a specification condemning sand locally available.

The physical and chemical properties of gypsum tile have been determined by the Bureau of Standards in a study made desirable because of the extensive use of the tile in modern construction. The tile is used for non-bearing interior partitions and

Movement of Tile in Partition Is Measured

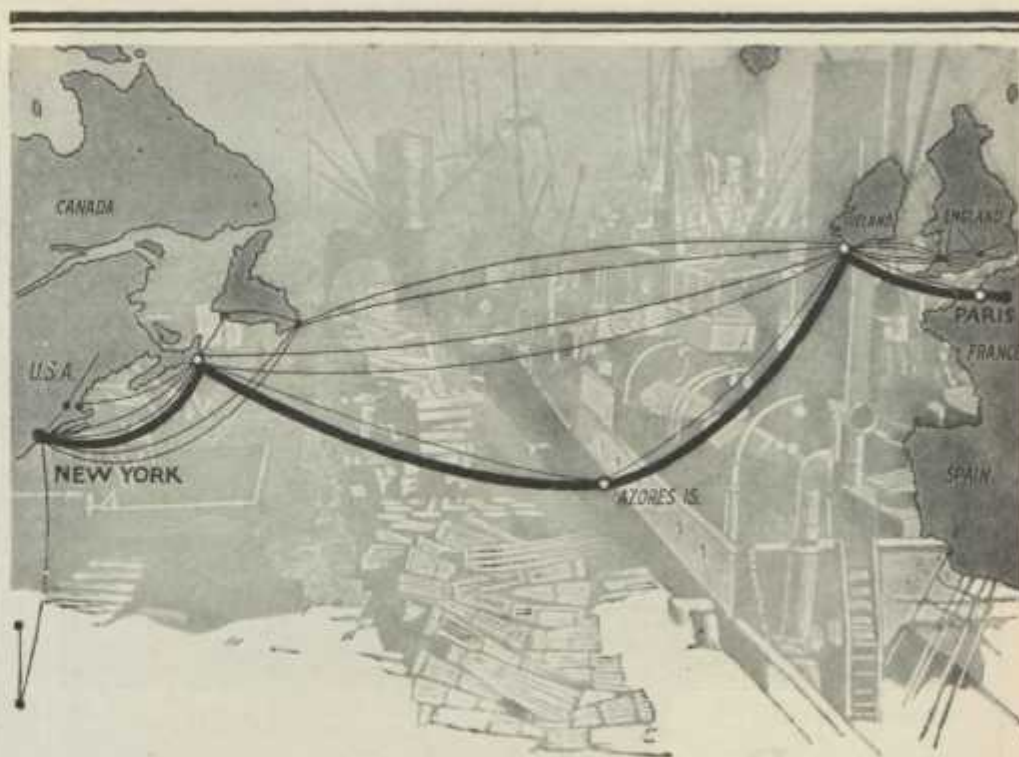
as a protection for columns, elevator shafts and similar structures, against fire. Measurements have also been made of the movements in a gypsum tile partition over a period of six months. The results of the bureau's investigation are to be made available in the Proceedings of the American Society for Testing Materials.

Eleven methods for testing current transformers are described and supplementary information is given in a paper prepared by Dr. F. B. Silsber,

Test Methods for Current Transformers

of the Bureau of Standards, at the request of the instruments and measurements committee of the American Institute of Electrical Engineers. Some of the methods described are very simple, but have relatively low accuracy, and other methods require complicated and expensive apparatus, but are capable of high accuracy.

A selection of method, says Dr. Silsber, depends largely on the conditions that affect the work, and on the volume of testing and the intelligence of the labor available. The paper also presents



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A glimpse of Chicago

Photo by Fairchild Aerial Camera Corp.

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Are You 100% Well

Leading physicians agree that every person should have periodical health surveys—and that those over 40 should have a physical examination at least once a year.

The information thus gained enables one to determine the proper steps to take to improve chronic conditions and to keep health at its highest possible level.

The latest scientific methods for making a complete "physical inventory" are thoroughly explained and illustrated in the booklet, "THE MEASURE OF A MAN." This booklet will be sent free upon request.



HEALTH EXTENSION BUREAU
4121 Good Wealth Bldg., Battle Creek, Mich.

supplementary information on auxiliary apparatus used in making the test measurements.

The extensive use of meters to show the consumption of electric current gives importance to the accuracy of the transformers, through which the current is admitted to the meters. An error in the transformers would operate against the generators or the consumers, and therefore dependable methods of testing the transformers are highly desirable.

Reports of failure of "cut-offs" used to control the flow of glass in automatic bottle machines

"Cut-offs" for Use in Glass Bottle Machines

decided the Bureau of Standards to investigate the material of which the "cut-offs" are made. Shapes of "cut-offs" were made from the raw batch of bodies sent in by manufacturers.

Casting, instead of pressing, has been suggested to prevent the failure of "cut-offs." From its tests the bureau concludes that a change in body will be necessary if casting is to replace pressing, finding that the type of body now in use is too deficient in plastic clay and probably contains too much impurity to be cast successfully.

To obtain a comparison of the strength and rigidity of walls built with cement-lime mortar and lime mortar the Bureau of Standards tested

Cement-Lime or Lime Mortars in Test of Walls

ten sand-lime brick walls and twelve wallethes. The tests showed the cement-lime construction more than twice as strong and about ten times as stiff as the lime-mortar construction. A compression strength of 300 pounds per square inch was developed for the lime-mortar construction, indicating, the bureau says, that a wall of this type would have to be 350 feet high before it would crush at the bottom.

Lack of general agreement among manufacturers of thread gauges on the contact pressure to be used in measuring

No Agreement on Pressure for Thread Gauges

gauges by the 3-wire method causes disputes between the gauge-makers and the users of the gauges regarding pitch diameter measurements, asserts the Bureau of Standards. To illustrate its assertion, the bureau points out that the gauge-maker is frequently permitted a tolerance of .0002 inch, although measurements recently made disclose that the reading over the wires on a 28-pitch thread gauge may be decreased more than .00015 inch when the contact pressure is increased from 2 to 5 pounds.

A testimonial to the quality of American-made weights is embodied in a report of the Bureau of Standards, which says that during one month

Many Weights Submitted With Few Rejections

one maker submitted 29 weights with no rejections, another submitted 129 weights with no rejections, and another submitted 75 weights with rejections amounting to about 3 per cent.

The practice of certifying partial sets of new weights, which was begun by the bureau some time ago, has saved considerable expense in making up sets of certified weights. The practice, according to the bureau, does not seem to have reduced the quality of weights produced by American makers.

Methods for the analysis of uranium, the "mother" of radium, tested by chemists of the Bureau of Mines, are described in bulletin 212.

Analysis for Uranium Gives Radium in Ore

"Analytical Methods for Certain Metals," which is sold by the Superintendent of Documents, Government Printing Office, Washington, D. C., at 40 cents a copy.

Because of the increasing recognition of the



Uninterrupted Production By Your Machinery

Dependability at the vital bearing points in your machinery insures continuous satisfactory operation, and uninterrupted production.

In 1898 The Aberfoyle Manufacturing Company, Chester, Pa., installed machinery equipped with 48 Hyatt roller bearings. In 1916 these machines had outlived their usefulness and were dismantled.

The Hyatt bearings were found to be in perfect condition and were put into new equipment where they are still operating. Such records as this are the evidence of the kind of service to be had from Hyatt-equipped machinery.

Whether you manufacture or merely employ mechanical equipment, it will be to your advantage to investigate the advantages of Hyatt bearings. Complete engineering and sales information on their application to any class of machinery will be furnished on request.

HYATT ROLLER BEARING COMPANY

NEWARK DETROIT CHICAGO SAN FRANCISCO
WORCESTER MILWAUKEE HUNTINGTON MINNEAPOLIS PHILADELPHIA
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and grooved floor-
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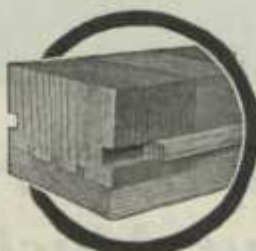
No loose blocks
No tar or cements



Bloxonend Floors Stay Smooth

"Loose paving blocks are durable but you can't keep them smooth." How often have you heard that remark? It's different with Bloxonend. Not only is Bloxonend exceptionally durable, but it lays as tight and smooth as any dressed and matched flooring.

Observe the method of laying Bloxonend. Note how the built-up strips of small, tough blocks on end are joined and splined together. That is why Bloxonend floors subjected to terrific service for seven years are as smooth and substantial today as when laid.



Bloxonend comes in 8-ft. lengths with the Southern Pine blocks dovetailed endwise onto baseboards. Sleepers unnecessary.

Write today for Descriptive Booklet "M". It shows how you can make an asset of the worn wood or concrete floors in your plant.

Carter Bloxonend Flooring Co.

Kansas City, Missouri

New York: 501 Fifth Ave.
Chicago: 332 S. Mich. Ave.

Cleveland: 1900 Euclid Ave.
Boston: 88 Broad St.

Detroit: 1st Nat'l Bank Bldg.
San Francisco: Hobart Bldg.

BLOXONEND

Lays Smooth FLOORING Stays Smooth

Reporting progress on a group of articles on "INDUSTRIAL RELATIONS"

"How to get the right employees to do the job, and after you get them, how to keep them," might well be the title for the series of articles now in preparation for *NATION'S BUSINESS* readers. Instead of asking a few heads of organizations to give the theory behind the problem, we have gone straight to such men and such companies as E. K. Hall, Vice-President in Charge of Personnel, American Telephone and Telegraph Company; C. S. Ching, Supervisor of Industrial Relations, U. S. Rubber Company, and C. R. Dooley, Manager Personnel and Training, Standard Oil Company of New Jersey. These men are actively engaged in solving the problems of industrial relations—we have asked them to give the best practice as of the present time. Such subjects as "Training the Minor Executives Inside the Plant" and "Failures in Industrial Relations" and "The Community's Interest in Industrial Relations" will be discussed, beginning in an early issue.

therapeutic value of radium in the treatment of cancer, radium-bearing ores are becoming more important each day, says the bulletin. In most ores the ratio of the radium to uranium is constant, and as this ratio is known, it is possible to estimate the amount of radium by analyzing the ore for uranium—a common practice, according to the bulletin, in the sale of radium-bearing ores, an analysis for radium being very unusual. Accuracy in uranium analysis has, therefore, become very important, by reason of the consequences of error—a small error in determining the uranium content means a corresponding error in the radium content, with the monetary values involved much greater than if the ore were sold for its uranium only.

High current output and minimum weight are desirable qualities of batteries designed for airplane service, says the Bureau of Standards, explaining that the life of the battery is of relatively little importance as compared with high efficiency.

Requirements of Batteries Used in Airplanes

At the request of the Bureau of Aeronautics of the Navy, the Bureau of Standards has been making tests on airplane batteries made by several companies. The information obtained from the tests has provided a basis for the revision of the Navy specifications for airplane batteries.

The Bureau of Standards is trying to develop methods of testing papers used for outlook apertures of "window" envelopes. Low transparency and high glaze are objectionable properties. Mail clerks handling large numbers of "window" envelopes have complained of the eye strain produced by certain types. The bureau's study is directed to ascertaining the most suitable paper for envelope apertures, and to devising test methods which will insure obtaining the paper.

Best Paper for the "Windows" of Envelopes

Empire Show Interests "Monitor"

ALTHOUGH Americans are debarred from participation in the British Empire Exhibition which opened in April at Wembley, on the outskirts of London, the *Christian Science Monitor* believes that "Americans should take a peculiar interest in the exhibition, constituting as it does a display of the material wealth and resources of the nation with which their country must always maintain friendly, and even intimate relationship."

In expression of its belief, the *Monitor* published a British Dominions feature section in two parts, containing special articles on the exhibition, and on the social, cultural, and economic aspects of the British colonies and dominions, together with advertisements of British and American firms and corporations.

Around World in Five Minutes

THE publishers will distribute 100,000 copies of the feature section at the exhibition, which will continue for eight months. Of the scope of the displays the *Monitor* says:

they will show, in miniature, the whole of the British Empire. Five minutes will suffice to take the traveler from Montreal to Sydney or from the Arctic Circle to the Equator. And the ice and the palms are as real as one finds north of Hudson Bay or in the Congo. Never before, perhaps, has so vast a world been so perfectly compressed into the area of one day's journey. One-fourth of the world will be shown at Wembley—one-fourth of the world in native dress on its native village streets; in the modern thoroughfares of its cities; at work in its industries; at play; at school; at the vast task of building the prosperity and culture of a vast empire and a new civilization.



I HAVE often noticed that a bank soon after putting up a new building is more crowded than ever. Why doesn't a bank plan ahead and build for several years' growth? Recently I learned the answer to this question. It is because the very fact of a fine new building gives the bank so much advertising that it grows more rapidly than in its old, less pretentious quarters. This change in the rate of growth upsets all calculations. Nearly every successful big bank in the country after moving into a new building has had this experience.

I FREQUENTLY become impatient and vexed with myself for not being a millionaire when to become one looks so absurdly easy. A man in Washington a few years ago noticed a corner building that he thought would be a good place for a little neighborhood motion picture theater. The rent was \$300 a month in advance. He had no money but contrived to borrow \$100, and the building owner trusted him for the rest of the first monthly payment. His theater attracted little candy shops, and others, and he was able to sublet part of his building for \$325, cutting his own rent to \$25 less than nothing. Today that theater pays him a profit of \$48,000 a year, and he owns the building. Sounds like a hasbeesh dream, but it's true.

IT'S ALL right to aim high in picking a job, but a recent psychological test of high school pupils showed that a high aim does not always indicate ability. In fact, the reverse was often true. Many a person is not even intelligent enough to realize his own limitations. In the test mentioned, about half of those who aspired to be lawyers, did not rank as high as those who intended to follow humble trades.

THIS so-called Machine Age seems to be also the Era of Needless Complications. Nearly everybody appears to be trying to avoid any form of simplicity. We buy two automobiles where one would do, then employ a chauffeur and build another room to the house to put the chauffeur in, after which we discover that the house is so big we must have another servant to keep the place in order. As Don Marquis says, we clip off a dog's hair and then buy a blanket for him. I often wonder how many business offices have unnecessary employees because the boss likes to see people working for him and makes himself think they're needed.

WE ARE constantly being told that we can't rely on what somebody says because he is a prejudiced observer. Yet there is no getting away from those who must necessarily have violent prejudices. We pay close heed to such persons every day, particularly



Why store things in a
DIRTY OLD HOLE
like this?

MANY an office that puts up a fine front to visitors has a disreputable old closet for storage. In it is everything from stinking mops to Old Hampshire Bond—from burnt-out bulbs to transferred correspondence—from rat-chewed papers to typewriter ribbons.

Install Van Dorn Steel Storage Cabinets. Protect stationery, office supplies, books, drawings, clothing, tools, safe from fire, theft, dampness, dust and rodents. *The investment is small and the saving is great.* May we send Storage Cabinet catalog?

THE VAN DORN IRON WORKS COMPANY
CLEVELAND



Branches:
Cleveland
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Van Dorn
MASTER-CRAFTSMANSHIP IN STEEL

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What is it worth?

EVERY parcel post package you send represents a certain sum of money. If it is lost or damaged—as many packages are—the cost of replacement doubles your loss. Unless—

You automatically insure by enclosing a North America Coupon. The stub is your shipping record.

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Under Widmer methods many fees, commissions and profits are overcome. The utmost speed, economy and efficiency are assured.

Widmer guarantees the maximum cost of the building and you pay only one reasonable charge for the complete service.

Submit your building program to us, or a representative will call without obligating you.

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Every Shipper Needs this Reference Book



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28 Pages—80 Illustrations

HERE is an invaluable guide for shippers. Not a catalog but a complete, pocket-size manual, containing all the information the shipper needs for proper and economical selection, packing, sealing and shipping of corrugated fibre boxes. Hundreds of pages of complicated packing regulations—boiled down into simple, easy-to-follow instructions.

This manual tells how to select the right type of box. Shows how to pack various products correctly and how to seal every style of corrugated fibre box. Complete. Convenient. Authoritative. And yours for the asking. Write today

THE HINDE & DAUCH PAPER CO.
304 West Water Street, Sandusky, Ohio

in business relations. Every salesman and every advertisement writer is naturally prejudiced. Yet these salesmen and advertisements often convince us that we should do what they say.

"I SEE by the want advertisements that the Nosutch automobile isn't as good as it used to be and that recent buyers aren't satisfied with it," remarked my friend Gilroy.

"Do want advertisements tell such things as that?" inquired an innocent bystander.

"Certainly. Not in so many words, of course, but plainly enough. Here's a whole half column of 1924 models of the Nosutch, none run more than a few months, offered at a big sacrifice. The owners evidently don't like them. On the other hand, there are one or two makes that you seldom see in the want columns, unless it's a model several years old and even then a good price is asked."

I mention this conversation simply because it illustrates that there are many unused sources of information.

A WESTERN railroad manager dropped in at one of the eating-houses provided for the construction gangs on his road, and noticed that the men were served with brown sugar. He asked why they didn't have ordinary granulated sugar.

"Because this is cheaper," was the reply.

"Let's see if it is," suggested the general manager. He took a teaspoon and picked up all the brown sugar the spoon would hold. It made a little mountain of sticky sugar. Then he tried the same thing with granulated sugar and the spoon would not hold half as much.

"You see," pointed out the general manager, "if every man uses an average of two spoonfuls in his coffee, granulated sugar, even though it costs more a pound, is cheaper."

MANY suburban allotments have massive brick gateposts with stone caps, at the entrance, even when there are no sewers or sidewalks. The comparatively slight cost of these posts is usually a fine investment for the man with lots to sell. They give a touch of grandeur, which the prospective buyer subconsciously associates with the entire layout. He pictures the allotment all built up with palatial homes, winding drives, box hedges, beautiful, carefully reared children, and pedigreed dogs, on cozy verandas.

A FARMER desired to buy land for a little truck garden. There was plenty of good land to be had near the city where he expected to dispose of his stuff, but he bought a piece of sandy soil rather than the richer clay soil. Every farmer for miles around deplored this fellow's stupidity for trying to do truck gardening in ground that would give only half as large a crop as would clay soil. When summer came the man with the sandy soil always had vegetables about two weeks sooner than any of his neighbors, and sold them at a fancy price, because they were scarce. By the time the clay soil gave up its larger yield, the market was flooded and prices dropped.

RESEARCH methods seem to be creeping more and more into business. Clothing manufacturers have lately been studying immigration figures to learn where to expect the greatest racial diversity in the United States. The object is to know what regions will need the greatest percentage of large sizes or small sizes of clothing. As might be expected they find that sizes must vary far more in cities than in rural communities.



Board Room, Cunard Bldg., N. Y.
Courtesy Amer. Walnut Assn.

A Board of Directors Meets *Tomorrow!*

Weeks of negotiation—and the approval of purchase comes before the Board tomorrow.

Blue-prints and specifications, samples and estimates have been submitted. Engineers and works-managers and purchasing agents have been interviewed. Costs have been figured—and figured again. Now comes the crucial half-hour. The Board of Directors meets tomorrow.

How can you reach these men—men your salesmen *never* see—a Wall Street banker, the ex-president of a railroad system, Mr. Z, who made his money in Brazilian coffee? How can you reach them to influence them favorably toward the approval of your estimates, to create an attitude of familiarity, a feeling of confidence, an acceptance of your equipment or machinery or supplies?

Mr. X, the banker, lives at Pittsburgh. Mr. Y, the railroad president, motors in from Tarrytown. Mr. Z walks from his apartment in the 70's. Different types living in different neighborhoods, they have different professional interests. But they *all* read the Nation's Business.

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A. L. Salt, 43 years. Up from the ranks—office boy to Vice-President.



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H. A. Horn, 41 years, 16 of which he has been General Foreman of the insulating division.



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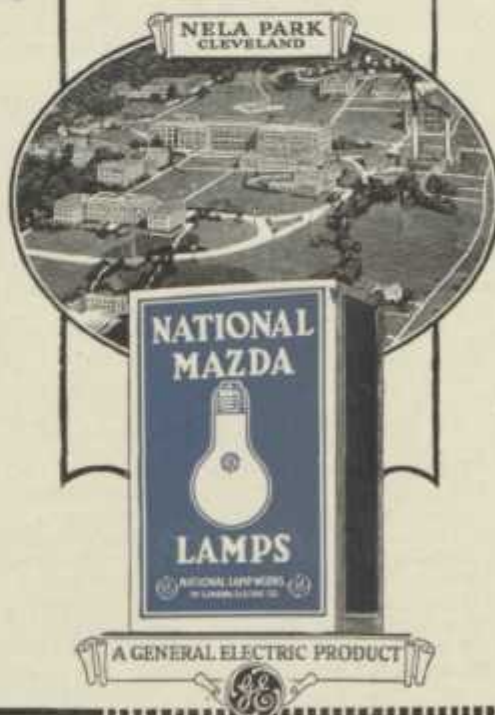
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